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Report of the Panel on Administration of Justice and Legal Services for submission to the Legislative Council

Purpose

This report gives an account of the major work of the Panel on Administration of Justice and Legal Services ("the Panel") during the 2025 session of the Legislative Council ("LegCo"). It will be tabled at the Council meeting of 15 October 2025 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007, 2 July 2008 and 26 October 2022 for the purpose of monitoring and examining policy matters relating to the administration of justice and legal services. The terms of reference of the Panel are in **Appendix 1**.

3. The Panel comprises 14 members, with Hon LAM San-keung and Hon YUNG Hoi-yan elected as Chairman and Deputy Chairman respectively. The membership of the Panel is in **Appendix 2**. During the 2025 session, the Panel continued to provide a forum for the exchange and dissemination of views on policy matters relating to the administration of justice and legal services. The major work of the Panel is summarized in the ensuing paragraphs.

Policy initiatives of the Department of Justice

Extension of the measures of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" and "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong"

4. The Administration briefed the Panel on the latest development of the implementation of the extension of the measures of "allowing

Hong Kong-invested enterprises to adopt Hong Kong law" and "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong" ("the two measures").

5. With effect from 14 February 2025, the scope of application of the measure of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" had been extended from Qianhai, Shenzhen to the two municipalities of Shenzhen and Zhuhai. Meanwhile, the scope of application of the measure of "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong" had been extended from the Pilot Free Trade Zones in the Mainland to include the nine Mainland municipalities in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). The two measures provided Hong Kong-invested enterprises registered in the relevant areas with greater freedom to choose Hong Kong law as the law applicable to their contracts and to choose Hong Kong as the seat of arbitration by including the relevant clauses in their contracts. Members highly commended the Administration's proactive efforts to continuously extend the scope of application of the two measures, and considered that this would help promote the diversified development of Hong Kong's legal sector and consolidate Hong Kong's position as the centre for international legal and dispute resolution services in the Asia-Pacific region.

6. Members considered that Mainland enterprises' understanding of the merits of the common law system and the benefits of the two measures have a significant influence on their decision to choose Hong Kong law as the governing law in contracts signed with Hong Kong-invested enterprises in the Mainland and to select Hong Kong as the seat of arbitration. Therefore, these members suggested that the Administration should strengthen its promotion efforts targeting Mainland enterprises, including their legal personnel. Members also urged the Administration to step up promotion of the merits of the two measures to foreign chambers of commerce in order to attract foreign enterprises to establish companies in Hong Kong for access to the Mainland market.

7. According to the Administration, following the announcement of the details of the extension of the two measures by the relevant Mainland authorities, the Department of Justice ("DoJ") had proactively enhanced its explanations through different channels, such as chambers of commerce, professional bodies and social media platforms. DoJ also met with foreign chambers of commerce and local enterprises for promotional purposes. The aim was to ensure that the relevant enterprises and stakeholders understood the flexibility and benefits brought about by the two measures, thereby making choices which suited their operations.

8. Some members pointed out that given the existence of three legal systems implementing both civil and common law in GBA, it would be advisable to codify the important legal principles in areas such as the economy and trade to facilitate the interface of the regulatory frameworks. The Administration advised that DoJ had always been striving to promote the interface of the legal and regulatory frameworks within GBA by minimizing differences among local regulatory frameworks, thereby enabling enterprises in the three places to choose one another's regulatory frameworks.

9. Targeting at the relatively lengthy arbitral proceedings in Hong Kong, members suggested that the Administration should study ways to further enhance efficiency, including introducing fast-track procedures for handling specified types of disputes (e.g. disputes over intellectual property rights) for some popular industries in GBA (e.g. innovation and technology), as well as exploring ways in which technology could help the industry to improve the efficiency of relevant legal and arbitration services. Members also suggested that the Administration should, while observing the relevant legal requirements under the law of the Mainland, discuss with the relevant Mainland authority how to facilitate remittances from Mainland enterprises to Hong Kong to pay for legal services and arbitral proceedings.

10. Members suggested that the Administration should collect data on the implementation and effectiveness of the two measures through relevant stakeholders. Having fully considered the impact of these measures on the country's overall development, the Administration should collaborate with the relevant Mainland authorities and examine extending the two measures to other Mainland cities.

<u>Work plan and progress of rule of law education and promotion</u>

11. The Administration briefed members on the policy initiatives in the Chief Executive's 2024 Policy Address about DoJ's work plan and progress of rule of law education and promotion.

12. Members noted that DoJ had launched the "ROLE Stars Train-the-Leaders Programme" ("TTL Programme") in November 2023. The TTL Programme aimed to provide individuals from different sectors of the community with courses on topics such as the rule of law and the legal system of Hong Kong. It sought to nurture leaders with basic knowledge of the rule of law and constitutional matters, and to promote the dissemination of the relevant knowledge within society. Members in general supported the TTL Programme and acknowledged DoJ's phased achievements.

13. Some members suggested that the Administration should consider formulating key performance indicators for the TTL Programme to assess its effectiveness. In response, the Administration advised that given the various types of work relating to the promotion of rule of law in the community, it was difficult to quantify the effectiveness of the TTL Programme in an objective, accurate and comprehensive manner. However, based on feedback from the majority of the trainees who participated in the TTL Programme, the courses had deepened their understanding of the rule of law and related topics, and enabled them to apply what they had learned.

14. Members expressed concern about the measures put in place by the Administration to encourage trainees who had completed the TTL Programme to put into practice the promotion of the rule of law and continue to organize or participate in the relevant activities proactively. The Administration advised that the Extended Course of the TTL Programme, planned to launch in 2025, would require trainees to dedicate a certain number of hours to promoting the rule of law, with a view to encouraging them to disseminate knowledge of the rule of law in the community. DoJ would also launch ROLE Ambassadors to commend trainees of the TTL Programme who actively promoted the rule of law, thereby enhancing their confidence in promoting the rule of law. DoJ would maintain close communication with trainees of the TTL Programme and ROLE Ambassadors, providing timely assistance to strengthen their efforts to promote the rule of law in the community. Members also expressed concern about the manpower and resources required for the TTL Programme, and considered that the Administration should play a coordinating rather than a leading role in promoting the rule of law in the community

15. Members noted that since the launch of the "Rule of Law through Drama" project by the Administration in 2021, over 300 drama performances had been held for participating primary schools across Hong Kong. Some members suggested that the Administration could organize mock court or similar role-playing activities (but not necessarily drama activities) to effectively promote the rule of law in schools, and strengthen its collaboration with other stakeholders to enhance its rule of law promotion work.

Pilot Scheme on Community Mediation and review of the mediation regulatory regime

16. The Panel was briefed by the Administration on the latest progress made by DoJ in strengthening the regulatory system on the accreditation and disciplinary matters of the mediation profession, as well as the latest progress of the Pilot Scheme on Community Mediation (the "Pilot Scheme") that it planned to launch. Members noted that the Food and Environmental

Hygiene Department introduced the Scheme of Participation by Property Management Agents in Tackling Water Seepage in Residential Building to promote resolution of water seepage disputes by mediation and, from July 2022 to December 2024, more than 5 500 water seepage cases were reported, with approximately 70% of the cases successfully resolved. In light of the positive outcome, the Administration proposed to introduce the Pilot Scheme, under which DoJ would coordinate training to property management staff from around 90 housing estates and those under the Joint Property Management model to equip these property management staff in the community with mediation skills and enable them to intervene early in disputes, such as water seepage issues and neighbor conflicts.

17. While members in general supported the Pilot Scheme, they expressed concerns about the compatibility of property management staff handling related disputes with their role, as well as potential conflicts of interest and roles that might arise. The Administration clarified that property management staff were responsible for helping households to manage their properties effectively and facilitating owners in enforcing the deeds of mutual covenant. The Pilot Scheme provided participating property management staff with mediation skills which could be applied in their daily work, thereby achieving compatibility with their existing duties. The Pilot Scheme also focused on educating property management staff on how to address actual, perceived, and potential conflicts of interest and roles that might arise when handling disputes.

18. Members suggested that the Administration should continue to step up publicity and education efforts on mediation to enhance public awareness and acceptance of mediation as an effective alternative dispute resolution method, and should strengthen collaboration between DoJ, various policy bureaux and district organizations to comprehensively promote dispute resolution by mediation on all fronts.

19. Members considered that the Administration should actively encourage the provision of paid practice opportunities for mediators. For example, reference could be made to the government-funded Duty Lawyer Service to introduce similar duty mediator service, which would allow mediators to gain more practical experience and attract more capable individuals to join the mediation profession. The Administration advised that DoJ would study with the relevant policy bureaux/departments the feasibility of establishing a panel of mediators for common disputes under specific policy areas.

Promoting LawTech

20. The Administration briefed the Panel on the latest progress made by DoJ in promoting the development of LawTech (including the use of artificial intelligence ("AI") and generative AI technologies) in Hong Kong, as well as the strategies that it would adopt to foster the development of LawTech and promote its application in the legal and dispute resolution sector. Members acknowledged the Administration's related work and considered that DoJ's plan to publish a roadmap for legal practitioners to embark on or further their technology adoption would help the legal sector upgrade and transform through the effective use of technology. They also urged the Administration to expedite its pace.

21. The Administration advised that a progressive, four-step approach should be adopted to promote the adoption of LawTech by the legal sector: (a) enhancing the willingness to use and acceptance of LawTech among the legal practitioners; (b) increasing the awareness of LawTech within the legal profession; (c) providing opportunities for the relevant technology companies to showcase LawTech products in the market, thereby enabling the legal sector to select suitable products according to their needs; and (d) continuously raising the awareness of the secure and proper use of LawTech among the legal practitioners to guard against the related information and data security risks. The Administration would continue to focus on the relevant promotion efforts to assist the legal sector in adopting LawTech in an orderly and effective manner.

22. Referring to the views of some LawTech practitioners, some members pointed out that the lack of big data databases and large language models ("LLMs") developed based on Hong Kong's legal information had hindered the development of the relevant LawTech products in Hong Kong. The Administration advised that the government-funded Hong Kong Generative AI Research and Development Center had been developing a series of foundation models, including a local LLM and a generative AI document processing application built upon this local LLM. DoJ had participated in testing these applications and various local universities were also actively developing different AI tools relevant to the legal field.

Law Reform Commission Secretariat – Progress on the Systematic Review of Statutory Laws of Hong Kong

23. The Law Reform Commission Secretariat ("LRC Secretariat") briefed the Panel on the progress on the systematic review of statutory laws of Hong Kong ("Systematic Review").

24. Members fully recognized LRC Secretariat's work on the Systematic Review. In particular, they commended the Administration for taking forward the legislative exercise on adaptation-related amendments which are minor, technical and non-controversial by way of an omnibus bill. Members were pleased to note that the Administration had introduced the latest omnibus bill, the Statute Law (Miscellaneous Provisions) Bill 2025,[1] to LegCo on 16 April 2025, and planned to introduce another omnibus bill to LegCo in 2026.

25. Members looked forward to the early completion of the adaptation of law exercise by the Administration and the establishment of a clearer, more concrete timetable in this regard. Members were concerned about how the Administration would ensure that staff changes within various policy bureaux would not affect the continuous progress of the Systematic Review conducted by the relevant bureaux. They also suggested that the LRC Secretariat should make wider use of technology (especially AI) to help the policy bureaux identify provisions requiring adaptation and finalize amendment proposals early.

26. According to the LRC Secretariat, it would continue to coordinate with the relevant policy bureaux and various divisions within DoJ to drive the adaptation of law exercise at full speed. The Administration had set a target for such work, and hoped that the responsible bureaux would take this opportunity to prepare their drafting instructions in good time, thereby completing such work by the end of the current term Government. Relatively simple and non-controversial amendments would be dealt with by way of omnibus bills wherever possible. However, the remaining adaptation of law exercise involved matters that were more complex issues or required consultation with different stakeholders, and must therefore be examined individually by the responsible bureaux.

27. The LRC Secretariat advised that various measures had been implemented to ensure the orderly progression of the relevant work. These measures included requiring each of the 14 responsible bureaux to designate a directorate officer to act as a contact point for the relevant work and to appoint a successor upon the officer's departure; and maximizing the use of technology to aid the Systematic Review, such as conducting preliminary provision screening with the verified version of "Hong Kong e-Legislation".

28. Members enquired whether the Administration would, in light of the adaptation of law exercise, consider establishing a proactive reporting mechanism with the Central Government concerning the constitutional

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[1] The Statute Law (Miscellaneous Provisions) Bill 2025 was passed at the Council meeting of 16 July 2025.

scrutiny in order to ensure the constitutionality of existing provisions in Hong Kong legislation. Some members pointed out that the existing mechanism under which laws enacted by the legislature of the Hong Kong Special Administrative Region must be reported to the NPCSC for the record had been operating effectively and was sufficient for handling relevant matters. The LRC Secretariat added that the Secretary to LRC had maintained direct communication with the Hong Kong and Macao Affairs Office of the State Council and the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region regarding the adaptation of law exercise. Furthermore, DoJ would coordinate with the various policy bureaux on matters requiring consultation with the Central Authorities concerning the adaptation of law exercise to ensure the effective conduct of these consultations.

Updates on legal aid services

29. The Administration briefed the Panel on the latest situation regarding the provision of legal aid services by the Legal Aid Department ("LAD") following the implementation of a series of enhancement measures to the legal aid system since the end of 2021. Some members relayed complaints they had received, alleging that in some civil legal aid cases, LAD staff had refused to accept lawyers nominated by the legally aided persons ("APs") to handle their cases and had made unsolicited comments on the performance of those nominated lawyers. Some members suggested that LAD should provide its staff with clear written guidelines on handling APs' lawyer nominations, and that it should display related posters or notices in its offices.

30. The Administration advised that LAD was responsible for ensuring that APs made their nominations on a fully informed basis. When assigning legal aid cases, LAD took all relevant factors into account. In some cases, LAD could still refuse to assign a nominated lawyer even if an AP did not agree to change his nomination. APs who were dissatisfied with such decisions could appeal through the existing mechanism. The Administration emphasized that as regards the assignment and handling of legal aid cases, lawyers on the Legal Aid Panel had authorized LAD to disclose information relevant to their performance and any misconduct in handling legal aid cases.

31. Members urged the Administration to address the concern expressed by The Law Society of Hong Kong ("the Law Society") regarding LAD's failure to respond to its request for a biennial review of criminal legal aid fees in 2024. The Administration explained that LAD had already adjusted criminal legal aid and related fees for 2024, based on the trend of the Consumer Price Index (C) between July 2022 and July 2024. The

Law Society's concern was probably related to a comprehensive review of the payment structure of the criminal legal aid fees system. According to the Administration, it had previously communicated and met with the Law Society at its invitation regarding the payment structure of the criminal legal aid fees system. The Administration would conduct further follow-up once the Law Society had provided specific information on the comprehensive review of criminal legal aid fees.

32. Some members expressed concern that in recent years, the number of legal aid cases assigned by LAD to solicitors acting as advocates constituted only a very small proportion of the legal aid certificates issued by LAD. In response, the Administration clarified that LAD recognized the importance of providing more opportunities for junior barristers to participate in suitable criminal cases. However, in order to protect APs' interests and ensure the proper use of legal aid resources, a balance must be struck in case assignments. For criminal legal aid cases, LAD generally assumed that the AP would plead not guilty, and therefore arranged for a team comprising both a barrister and a solicitor to handle such cases. This arrangement and practice might affect opportunities for solicitors to handle criminal legal aid cases in the capacity of advocates.

33. Some members urged that LAD should take into full account the rights and interests of APs when assigning cases, rather than treating legal aid cases as training opportunities for junior barristers. They suggested that LAD could adopt a system similar to that used in public hospitals, where cases are allocated based on seniority, to ensure that legal aid cases were assigned to the most suitable barrister. The Administration emphasized that LAD always prioritized the litigation interests of APs. When assigning legal aid cases, LAD fully considered factors such as the nature of the case and the seniority of the relevant legal practitioners. If necessary, LAD arranged for a senior barrister to lead a junior barrister in handling a legal aid case. This approach struck a balance between the rights and interests of clients and the development needs of the barrister profession.

34. Members pointed out that some legal aid cases remained unresolved for over a decade, raising concerns about potential delays and the waste of public funds. The Administration explained that all legal aid cases were monitored by in-house counsels employed by LAD who were qualified to practise in Hong Kong. This could ensure that costs were reasonable and that delays were monitored. Some cases (e.g. estate and land disputes) took longer overall due to stalemates between the litigating parties. If monitoring counsel identified deliberate delays, LAD would consider discharging the legal aid certificate in accordance with the Legal Aid Ordinance (Cap. 91).

Work of the Judiciary Administration

Latest developments of the family justice system

35. The Panel was briefed on the latest developments relating to the family justice system by the Judiciary Administration. These included progress of the drafting of the Family Procedure Rules ("FPR") under the Family Procedure Ordinance (Cap. 646) by the Family Procedure Rules Committee ("FPRC"), implementation of the Family Masters System and enhancement of family mediation.

36. Members noted that, following the passage of the Family Procedure Ordinance (Cap. 646) by LegCo in 2023, the Judiciary established FPRC as the single FPR-making authority in August of that year. FPR was applicable to all family and matrimonial proceedings. The Judiciary Administration advised that FPR would provide clear, comprehensive and detailed procedural guidance to enhance litigation efficiency, and it was expected that the drafting work would be completed in 2026-2027.

37. Members expressed concern that, while the original target of the Judiciary Administration was to substantially complete FPR within two years of establishing FPRC, that progress was currently behind schedule. Members urged the Judiciary to expedite the process, with the aim of completing the drafting and commencing consultation by the end of 2026, and suggested that the Judiciary Administration consider submitting the draft FPR to LegCo in batches for scrutiny, and provide the Panel with regular progress reports on the relevant legislative work.

38. The Judiciary Administration explained that FPR covered a wide range of topics and was highly complex, comprising 60 sections that consolidated the legal provisions relating to the jurisdiction, powers, general practice and procedure of the courts in family proceedings. Drafting and consolidating FPR required in-depth discussion and research into court procedure details to ensure that the whole set of FPR was coherent and consistent. Due to the interconnected nature of the different parts of FPR, the Judiciary Administration found it challenging to submit FPR to LegCo in batches.

39. Members noted that since 2019, the Judiciary had been implementing the Mediator-assisted Financial Dispute Resolution Pilot Scheme and launched a pilot scheme namely Family Court-annexed Mediation Scheme ("FCAMS") starting from March 2024. These two schemes are intended to promote the broader use of mediation services for

resolving family disputes. Members expressed concern about the low number of cases handled under FCAMS and suggested that the Judiciary Administration coordinate with the Administration to consolidate information on relevant mediation schemes. This would make it easier for those in need to find suitable family mediation services.

<u>Latest developments of the Judiciary's use of technology in court operations</u>

40. The Judiciary Administration also briefed the Panel on the latest developments of the Judiciary's use of technology in court operations. Members noted that the integrated Court Case Management System ("iCMS"), the major initiative under the Information Technology Strategy Plan of the Judiciary, aimed at enabling the handling of court-related documents and payments electronically across various court levels. In view of the mandatory use of iCMS for all legally represented litigants in applicable case types scheduled to begin in 2026 approaching, some members expressed concern that currently, only around 50% of law firms were registered to use the system.

41. According to the Judiciary Administration, iCMS had been implemented in phases since 2022 for certain case types in the District Court, the Magistrates' Courts and the Small Claims Tribunal. It would be extended to civil proceedings in the High Court by the end of June 2025. From 2026, the mandatory use of iCMS would apply to case types that could already be processed under the system. The Judiciary had introduced various measures to promote its use, including fee concessions, a dedicated website, a support centre, briefing sessions, etc. The Judiciary Administration noted that the proportion of new cases initiated under iCMS had grown from around 13% at the end of January 2023 to almost 70% as at the end of April 2025.

42. Members noted that the Judiciary had promulgated the first set of guidelines on the use of generative AI for judges and judicial officers as well as its support staff in July 2024. They enquired whether the Judiciary had established a continuous evaluation mechanism for the use of generative AI. The Judiciary Administration advised that according to the research and testing carried out by the Judicial Institute under the Judiciary, there remained concerns about the reliability of AI in carrying out professional tasks such as legal research, legal analysis and judgment writing. For non-judicial work, the Judiciary intended to explore and participate in other pilot AI projects promulgated by the Digital Policy Office of the Government where appropriate. The Judiciary would continue to keep abreast of evolving developments on use of AI in various aspects of work in court and conduct timely reviews.

Development of the legal profession in Hong Kong

Promoting the development of the legal profession in Hong Kong

43. At the Panel meeting on 10 February 2025, the Panel received views on "Promoting the development of the legal profession in Hong Kong" from representatives of 10 organizations.

44. Members noted that the Outline of the 14th Five-Year Plan for the National Economic and Social Development of the People's Republic of China supported the development of Hong Kong in eight key areas, including as an international shipping centre. Recognizing that shipping was a key area of Hong Kong's development, members urged the Administration to collaborate with local law schools to promote students' awareness of and interest in maritime law. They also suggested creating a talent pool by introducing Mainland's professionals specializing in maritime law. Members also suggested that the Administration actively promoted the development of sports dispute resolution services in Hong Kong, in order to further leverage the systemic advantages of the city's dispute resolution framework. The Administration noted members' suggestions and undertook to refer the views on legal education to the Standing Committee on Legal Education and Training for follow-up.

45. Members urged the Administration to support the local legal sector in "going global", involving exploring new markets and conducting study visits to potential markets, particularly GBA and Belt and Road countries. To this end, members suggested that the Hong Kong International Legal Talents Training Academy should provide training for local legal practitioners, with the aim of making the Hong Kong legal sector (particularly small and medium-sized law firms) more international and professional. They also requested that the Administration consider organizing cross-jurisdictional internship exchange programmes, and arranging internships or employment for Hong Kong legal practitioners in other places and international/regional organizations.

46. Members also urged the Administration to provide support to the legal sector, particularly small and medium-sized law firms (such as providing tax allowances for the purchase of LawTech equipment), to enable the sector to leverage technology to enhance efficiency and reduce costs. Some members suggested that the Administration could refer to practices in other jurisdictions and provide office space for small and medium-sized law firms at lower rents and with medium to long-term leases, helping these firms to upgrade and develop their businesses, and study the possibility of allowing

legal practitioners to form partnerships with other professionals (e.g. accountants) to provide one-stop professional services.

Latest development of solicitors practising as a solicitor corporation

47. The Legal Services Legislation (Miscellaneous Amendments) Ordinance 1997 (Ord. No. 94 of 1997), which was enacted in June 1997, involved amendments to the Legal Practitioners Ordinance (Cap. 159) to include new provisions relating to solicitor corporations and foreign lawyer corporations, thereby enabling solicitors to practise in Hong Kong in the form of a limited company (i.e. a solicitor corporation). However, members were concerned that the solicitor corporation practice mode had yet to be implemented.

48. At the invitation of the Panel, the Law Society briefed the Panel at the meeting on 14 March 2025 on the recent development of solicitors practising as a solicitor corporation. Members noted that the Council of the Law Society intended to make the Solicitor Corporation Rules and the Foreign Lawyer Corporation Rules under the amended Cap. 159 subject to the final approval of the Chief Justice of the Court of Final Appeal. Consequential amendments to Cap. 159 and the relevant subsidiary legislation were also necessary.

49. Some members pointed out that since the enactment of Ord. No. 94 of 1997, the operating environment of the legal profession had changed profoundly. Furthermore, since 1 March 2016, Hong Kong law firms had been permitted to operate under a limited liability partnership system. In light of the developments in the mode of practice and changes to the overall practice environment, members expressed concern about the current practical demand for, and views on, solicitor corporations within the legal profession. They suggested that the Law Society conduct further industry consultations to ensure that the subsidiary legislation implementing the solicitor corporation practice mode would meet the profession's operational and developmental needs. Members also requested that the Law Society enhance its efforts to explain to the profession the anticipated benefits of practising under this mode.

50. The Law Society indicated that solicitor corporation aimed to provide the legal profession with an additional option, enabling practitioners to choose the mode of practice that best suited their operational circumstances and needs based on their individual situations. Upon completion of the relevant legislative work, the Law Society would conduct comprehensive explanatory work and provide the relevant support measures to ensure that the profession had the necessary information to make appropriate choices. The Law Society would also refer the above suggestion

regarding another round of consultation with the profession to its Council for consideration.

51. Members were concerned about whether the solicitor corporation mode of practice would affect the coverage requirements for professional indemnity insurance for solicitors. Members also expressed concern about the benefits that allowing solicitors to practise as a solicitor corporation could bring to the public and whether the Solicitor Corporation Rules, to be made by the Law Society, would include corresponding measures to protect the public's right to information and their interests. In particular, it should be ensured that the beneficial owners of the shares of a solicitor corporation and its directors must be solicitors holding an unconditional practising certificate, and that that the level of professional indemnity insurance required of solicitor corporations would effectively protect the public without placing a disproportionate burden on them.

52. The Law Society explained that allowing solicitors to practise as a solicitor corporation could help law firms expand their operations, achieve economies of scale and reduce fees, which would benefit members of the public who required legal services. The proposed Solicitor Corporation Rules would also introduce safeguards to protect the public interest, including provisions regarding the eligibility of beneficial owners of the shares of a solicitor corporation and its directors.

Cultivation of international first-class law firms and arbitration institutions

53. The Panel discussed with representatives from various legal professional bodies and the Administration how to cultivate international first-class law firms and arbitration institutions. The Administration briefed the Panel on the background information on and latest developments in (a) the cultivation of legal professionals in Hong Kong; (b) the legal cooperation in GBA or between Hong Kong and the Mainland; and (c) the cultivation of arbitration institutions.

54. Members pointed out that the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization, adopted at the Third Plenary Session of the 20th Central Committee of the Communist Party of China, proposed to strengthen the rule of law in foreign-related affairs; improve the arbitration and mediation system for international commercial disputes and cultivate world-class arbitration organizations and law firms; and actively participate in the formulation of international rules. Members considered this an important national policy, and the Administration should provide a favourable environment to nurture more international first-class law firms and arbitration institutions.

55. Some members were of view that since survey findings indicated that Mainland enterprises were reluctant to engage small and medium-sized local law firms, the option to practise as a solicitor corporation would help law firms to expand their scale and internationalize, thereby facilitating further business development. Members also pointed out that international first-class law firms were not necessarily large, and that small and medium-sized law firms could provide highly specialized and excellent services as well. Other members highlighted that the small and medium-sized law firms in Hong Kong had consistently been the main providers of legal services to the general public, forming an important and integral part of the local legal services market. They cautioned that promoting the expansion or merger of law firms too vigorously could constrain the operating space for such small and medium-sized law firms.

56. The Administration advised that the legal profession in Hong Kong operated under a self-regulatory regime. Within this framework, the Law Society and the Hong Kong Bar Association continued to independently exercise their respective powers and functions as sectoral regulators in accordance with the relevant laws. DoJ had also maintained communication with the two legal professional bodies in order to support and actively assist the profession in advancing reform proposals that had been thoroughly discussed and achieved consensus within the profession. Furthermore, DoJ would continue to promote Hong Kong's legal services externally and foster an environment conducive to the development of the legal profession, thereby creating more opportunities for the sector. This approach would enable various types of legal services to flourish, regardless of the size of the law firms, in order to meet the legal service needs of different stakeholders in the market.

57. Some members noted that, in light of changes to the international landscape, the Mainland was attracting not only foreign direct investment, but also increasing its outbound direct investment, particularly to countries in the Association of Southeast Asian Nations and the Middle East. Members suggested that, when attracting new clients or enterprises from these regions, the Administration should emphasize the systemic advantages enjoyed by Hong Kong and local enterprises with the support of the country. These advantages include the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region; the Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the Hong Kong Special Administrative Region; and the two measures. These initiatives should be promoted to highlight the benefits of choosing Hong Kong as a connector.

58. Members enquired about the Administration's plan to support the promotion efforts to develop Hong Kong's legal profession in GBA. According to the Administration, DoJ was planning to set up a dedicated platform for lawyers in GBA to facilitate connections between relevant Hong Kong lawyers and Mainland law firms or corporate legal departments, and to explore collaboration opportunities. This initiative aimed at assisting Hong Kong lawyers in establishing their practices in GBA smoothly. At the same time, it would enable Mainland enterprises to access the necessary legal services promptly as they expanded their overseas businesses. Complementary advantages and mutual benefits could thus be achieved.

Reviewing and enhancing the on-the-job training of legal practitioners

59. The Administration briefed the Panel on the on-the-job training of legal practitioners provided by DoJ. Members acknowledged the work of the International Legal Talents Training Academy, established in 2024, and requested that the Administration explain how its effectiveness would be measured. To further enhance the Academy's training efficacy, members suggested that: (a) the practical training provided by the Academy for the professional development of local solicitors and barristers should cover important areas such as assisting Mainland enterprises with "going global"; (b) longer-term accredited professional qualification courses be provided to help legal practitioners obtain certifications and qualifications for providing legal services in relevant fields; and (c) the Academy's promotional activities be strengthened to ensure that the legal profession was well informed about the details of the Academy's training activities.

60. Members suggested that the Administration should promote and strengthen training on Islamic law or culture for the legal profession, so as to enable the profession to grasp opportunities arising from the development of the financial industry in Muslim countries in a timely manner. The Administration advised that DoJ would collaborate with relevant policy bureaux to help the legal profession and other sectors to fully understand the developments and relevant regulations in emerging markets, such as trade, tourism and finance, so that they could provide products and services that met the needs of these markets.

61. As the legal profession often lacked an adequate understanding of legislative proposals relating to cutting-edge issues such as stablecoins and the re-domiciliation regime, some members suggested that the Administration should communicate with Hong Kong's legal professional bodies when drafting the relevant legislation. Discussions and exchanges could be conducted through training courses and seminars, with relevant experts also invited to participate. Members also attached great importance

to the Administration's efforts to promote maritime legal education in Hong Kong, and would like to know if there was a mismatch of training resources in this area.

62. The Administration noted the relevant suggestions and advised that DoJ had been in close communication with the Hong Kong Bar Association, the Law Society and other legal professional bodies in order to prevent the duplication and waste of training resources. The Administration was also planning to develop Hong Kong's maritime sector and looked forward to collaborating with the legal profession to support Hong Kong's development as an international shipping centre.

63. Members commended the Administration for its efforts to assist the legal profession in "going global" and expanding into markets beyond Hong Kong. Such efforts included the delegation led by the Deputy Secretary for Justice ("DSJ") in June 2025 to Guangzhou and comprising members of Hong Kong's legal and financial sectors. The aim of the delegation was to promote professional services, including those of the legal profession, in supporting Mainland enterprises with their global expansion. Members suggested that the Administration should organize such delegations on a regular basis. These delegations could be led by Government Counsels at different levels, not necessarily the Secretary for Justice ("SJ") or DSJ, to enable the legal profession to gain a deeper understanding of the latest market and regulatory developments.

Consultation on legislative proposals

<u>Making of subsidiary legislation for safeguarding national security</u>

64. At the joint meeting with the Panel on Security on 12 May 2025, the Administration briefed the two Panels on the following legislative proposals: (a) regulation made under section 110 of the Safeguarding National Security Ordinance (Ord. No. 6 of 2024) ("SNSO") for the needs of safeguarding national security and the better carrying into effect of the provisions in Chapter V of the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region concerning the mandate of the Office for Safeguarding National Security of the Central People's Government in the Hong Kong Special Administrative Region ("OSNS"), and (b) declaration of the premises where OSNS performs its mandate as prohibited places under section 42 of the SNSO by order published in the Gazette.

Meetings held

65. During the period between January and September 2025, the Panel held a total of nine meetings (including one joint meeting with the Panel on Security). The Panel also received briefings by SJ and the Director of Administration on the Chief Executive's 2025 Policy Address in respect of the relevant policy initiatives at the policy briefing held on 2 October 2025.

Council Business Divisions
Legislative Council Secretariat
9 October 2025

Appendix 1

Panel on Administration of Justice and Legal Services

Terms of reference

1. To monitor and examine, consistent with maintaining the independence of the Judiciary and the rule of law, policy matters relating to the administration of justice and legal services, including the effectiveness of their implementation by relevant officials and departments.

2. To provide a forum for the exchange and dissemination of views on the above policy matters.

3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.

4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.

5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Appendix 2

Panel on Administration of Justice and Legal Services

Membership list for the 2025 session

Chairman	Hon LAM San-keung, JP
Deputy Chairman	Hon YUNG Hoi-yan, JP
Members	Prof Hon Priscilla LEUNG Mei-fun, GBS, JP Hon Paul TSE Wai-chun, JP Hon Martin LIAO Cheung-kong, GBM, GBS, JP Hon Jimmy NG Wing-ka, SBS, JP Dr Hon Junius HO Kwan-yiu, BBS, JP Hon Holden CHOW Ho-ding, JP Hon Doreen KONG Yuk-foon Hon Dennis LEUNG Tsz-wing, MH Hon Maggie CHAN Man-ki, MH, JP Dr Hon Kennedy WONG Ying-ho, BBS, JP Hon TANG Fei, MH Hon Carmen KAN Wai-mun, JP
	(Total: 14 members)
Clerk	Mr Lemuel WOO
Legal Adviser	Ms Wendy KAN