

Supplements and Amendments VI to CEPA Service Liberalization – Legal Sector

New liberalization Measures introduced

Q.1 What are the new measures affecting the legal services under Supplement VI?

A.1 In sum, the two newly introduced measures allowing Hong Kong lawyers to have easier access to the Mainland legal service market are –

- (i) Hong Kong legal practitioners with 5 years or more practising experience and who have passed the National Judicial Examination will be exempted from the requirement of internship except the one month intensive training organized by the local lawyers association in the Mainland;
- (ii) Hong Kong law firms which have set up representative offices in the Mainland may form association with law firms in Guangdong Province if the Mainland law firms has been established for at least a year and one of the lawyers who established the firm has at least 5 years of professional experience.

Q.2 How are the new measures different from the previous one?

A.2 (i) On internship

Up to now, Hong Kong legal practitioners who wish to join the legal practice as a Mainland lawyer has to pass the National Judicial Examination and to complete a full year's internship at a Mainland law firm. Following the implementation of the new measure, they are only required to attend a one month intensive training organized by the local lawyers' association.

(ii) On Association

The requirements for association of law firms on both sides have been relaxed as Hong Kong law firms may now choose to form association with law firms in Guangdong which have only been established for a year (instead of 3 years under the existing rules) provided that one of the Mainland lawyers who established the relevant firms has at

least 5 years' experience in legal practice.

Mandatory Internship

Q.3 What are the advantages to the legal profession regarding the relaxed requirements on internship?

A.3 By lifting the requirement of performing a full year's internship, the practitioner concerned will not be required to abandon his own practice in Hong Kong in order to acquire the qualification as a Mainland lawyer. As he/she is only required to attend a one-month intensive training course in the Mainland, this should cause the least disruption to his practice and the local law firm concerned.

Association of Law Firms

Q.4 What are the advantages regarding the relaxed rules concerning association of law firms on both sides?

A.4 The new measure permits Hong Kong law firms with representative offices in the Mainland to enjoy greater freedom in choosing a Mainland law firm (based in Guangdong) to form association. Apart from Beijing and Shanghai, Guangdong Province has the largest number of representative offices set up by Hong Kong law firms. The new measure should foster closer cooperation between law firms of Hong Kong and Guangdong. The law firms from each side should also be able to complement the practice of each other.

Q.5 Why should the relaxed measures be limited to law firms in Guangdong Province?

A.5 This is a decision of the Mainland authorities concerned. It is obvious that Guangdong and Hong Kong are closer neighbours and the former is the base where many Hong Kong enterprises set up their business undertakings. It is also the region frequented by Hong Kong residents who may have acquired assets there and hence the need for legal services relating to both jurisdictions.

The relaxation is consistent with the "Reform, Development and Planning Framework of the Pearl River Delta" 「珠江三角洲地區改革發展規劃綱要」 whereby closer cooperation is encouraged among the governments and different sectors in the region. We hope the measure could be extended to other provinces and municipalities after its successful implementation in Guangdong.