

Legal Practitioners (Amendment) Ordinance 2012 to become effective in March 2016

The Legal Practitioners (Amendment) Ordinance 2012 (the Amendment Ordinance) will come into operation on March 1, 2016. A commencement notice was published in the Government Gazette today (December 11) and the commencement notice will be tabled in the Legislative Council (LegCo) for negative vetting on December 16.

A spokesman for the Department of Justice said that the Amendment Ordinance, which was enacted in July 2012, introduces limited liability partnership (LLP) for law firms in Hong Kong.

"Generally speaking, LLP protects a partner from personal liability as regards professional defaults of other members of the firm where the partner is not personally at fault himself," the spokesman said.

"The introduction of LLP is expected to encourage small and medium-sized local firms to merge into bigger practices, enabling them to offer a wider range of legal services to their clients and become more competitive. Besides, more reputable foreign law firms practising in the form of limited liability partnership can be attracted to set up offices in Hong Kong, thereby increasing the choices available to end users of legal services."

A number of consumer protection measures have been included in the Amendment Ordinance. One of the key measures is that a law firm which opts to practise in the form of LLP must take out top-up insurance providing an additional indemnity coverage of not less than \$10 million for any one claim.

Five pieces of subsidiary legislation, namely the Rules of the High Court (Amendment) (No.3) Rules 2015, the Rules

of the District Court (Amendment) Rules 2015, the Solicitors' Practice (Amendment) Rules 2015, the Foreign Lawyers Practice (Amendment) Rules 2015, and the Limited Liability Partnerships (Top-up Insurance) Rules, were introduced into the LegCo for negative vetting earlier this year for bringing the Amendment Ordinance into operation.

Ends/Friday, December 11, 2015