

LCQ10: Progress in legal sector's expansion into Hainan market

Following is a question by Professor the Hon Alex Fan and a written reply by the Secretary for Justice, Mr Paul Lam, SC, in the Legislative Council today (June 10):

Question:

On March 26, 2025, the Hainan Provincial People's Government and the Hong Kong Special Administrative Region (HKSAR) Government signed the Hainan Provincial People's Government and Hong Kong Special Administrative Region Government Memorandum of Cooperation (MoC), under which both sides agreed to deepen collaboration in five areas, namely trade and investment, finance, safe and orderly flow of data, tourism and talent exchanges. According to Article 12 of the MoC and its Annex, "List of recognised Hong Kong professional qualifications", Hainan Province recognises the professional qualifications of Hong Kong solicitors (limited to representatives in the representative offices set up by the HKSAR law firms in Hainan), solicitors seconded by the Hong Kong side of the partnership association and Hong Kong solicitors employed by such partnership association, as well as Hong Kong solicitors and barristers working as consultants in Mainland law firms in Hainan. The MoC allows them to provide relevant professional services to enterprises and residents in Hainan Free Trade Port based on their Hong Kong professional qualifications, subject to the requirement that they "shall not undertake any Mainland legal matters". In this connection, will the Government inform this Council:

(1) of the number of (i) representative offices set up by Hong Kong law firms in Hainan, (ii) solicitors seconded by the Hong Kong side of the partnership association, and the respective numbers of (iii) Hong Kong solicitors and barristers employed as legal consultants in Mainland law firms in Hainan since the signing of the MoC; whether the Government has compiled statistics on the business areas in which Hong Kong legal professionals provide their legal services in Hainan and the revenue involved;

(2) given that the MoC allows Hong Kong solicitors to provide services based on their Hong Kong professional qualifications but they "shall not undertake any Mainland legal matters", how the relevant restriction is specifically enforced; whether the HKSAR Government and the Department of Justice of Hainan Province have formulated clear practice directions or frequently asked questions in this regard; if the contract in question adopts any law other than the Mainland law (e.g. Hong Kong law) as the applicable law, whether Hong Kong solicitors providing services in Hainan based on their Hong Kong professional qualifications can take part in the drafting and review of such contracts, and whether Hong Kong solicitors can provide legal services relating to the design of the organisational structure of cross-boundary investment in Hainan; and

(3) given that Article 5 of the Several Provisions on the Development of International Commercial Arbitration in Hainan Free Trade Port and Article 86 of the newly revised Arbitration Law of the People's Republic of China expressly allow foreign arbitration

institutions to establish representative offices in Hainan Free Trade Port, whether the Government is aware if any Hong Kong arbitration institutions have applied or are applying to establish representative offices in Hainan to date; whether the Government is aware of any specific obstacles involved (such as the actual operational threshold of the registration process, restrictions on business areas, taxation arrangements and reputation requirements, etc); whether the Government will take the initiative to ascertain the willingness of Hong Kong arbitration institutions and law firms to establish a presence in Hainan and the difficulties encountered, and liaise with the Department of Justice of Hainan Province and relevant departments to assist Hong Kong arbitration institutions and law firms in implementing the specific arrangements for establishing a presence in Hainan; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

In response to the questions raised by Professor the Hon Alex Fan, the reply is as follows:

(1) Currently, one Hong Kong law firm has established a representative office in Hainan before the Hainan Provincial People's Government and Hong Kong Special Administrative Region Government Memorandum of Cooperation (MoC) was signed. Hong Kong law firms have also established three partnership associations with Mainland law firms in Hainan, where five Hong Kong solicitors have been seconded by the Hong Kong law firms. Besides, 16 Hong Kong solicitors are employed as legal consultants by Mainland law firms in Hainan. The Government does not have statistics on the business scope and relevant income in respect of Hong Kong legal professionals' provision of legal services in Hainan.

(2) Under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), Hong Kong solicitors and barristers can provide legal services on the Mainland, while the scope of legal matters that can be handled by them is subject to restrictions under the relevant laws and regulations of the Mainland. These restrictions are reflected in the references to Hong Kong solicitors and barristers providing legal services based on their Hong Kong professional qualifications in the Hainan Free Trade Port under items 44 and 45 of the Recognised Hong Kong Professional Qualifications List annexed to the MoC.

According to the Measures for the Management of Hong Kong Legal Practitioners and Macao Practising Lawyers Employed by Mainland Law Firms as Legal Consultants (Measures for the Management of Legal Consultants) and the Measures for the Management of Representative Offices set up by Law Firms of the Hong Kong and Macao Special Administrative Regions on the Mainland (Measures for the Management of Representative Offices) promulgated by the Ministry of Justice, Hong Kong legal practitioners employed as legal consultants in Hainan, as well as representative offices of Hong Kong law firms in Hainan and their representatives, are not allowed to handle

Mainland legal matters. Further, according to the Trial Measures on Hong Kong Law Firms and Macao Law Firms Operating in the Form of Partnership Association with Hainan Law Firms (Hainan Trial Measures on Partnership Association) promulgated by the Department of Justice of the Hainan Province, Hong Kong solicitors seconded to or hired by partnership associations in Hainan are not allowed to handle Mainland legal matters either. Whether Hong Kong law firms and legal practitioners can take part in the drafting and reviewing of contracts as well as provide cross-boundary investment framework planning services in Hainan as mentioned in the question would depend on the actual circumstances; provided that the above-mentioned restrictions under the laws and regulations of the Mainland are complied with, Hong Kong law firms and legal practitioners would be able to provide the relevant services.

As to the actual enforcement of the above restrictions, Hong Kong law firms and legal practitioners are subject to management and supervision or annual review by the judicial administrative authorities of the Mainland in accordance with the provisions of the Measures for the Management of Legal Consultants, the Measures for the Management of Representative Offices and/or the Hainan Trial Measures on Partnership Association. In case Hong Kong law firms and legal practitioners handle Mainland legal matters in violation of the requirements under the said laws and regulations, they may be subject to sanctions by the relevant authorities of the Mainland.

With a view to facilitating the legal sector's and the public's understanding of the initiatives under CEPA which concern legal services, relevant information, including frequently asked questions, is available on the DoJ's website. For details, please visit www.doj.gov.hk/en/mainland_and_macao/cepa.html.

(3) Arbitral institutions in Hong Kong operate independently, and may develop their business of their own accord, without government intervention. If a Hong Kong arbitration institution plans to establish offices in Hainan or other regions, it is not required to report to the Government. Therefore, the Government currently has no information as to whether any Hong Kong arbitral institution has already applied, or is in the process of applying to establish offices in Hainan, or whether there are any specific obstacles in this regard.

The Government has always supported and encouraged Hong Kong arbitral institutions to establish branches or offices on the Mainland to provide professional arbitration services to the country, while deepening Hong Kong's position as an international legal and dispute resolution services centre. For example, when the Hong Kong International Arbitration Centre established representative offices in Shanghai in 2015 and Beijing in 2024 respectively, the then- and current Secretary for Justice respectively attended the opening ceremonies and delivered speeches in Shanghai and Beijing in person.

The Government has maintained close co-operation and regular communication with the Hong Kong legal and dispute resolution sector (including law firms and arbitral institutions). Should it be learnt that a Hong Kong arbitration institution or law firm

encounters difficulties in establishing offices in Hainan, the Government will render suitable assistance, such as liaising with the Department of Justice of the Hainan Province and relevant authorities.

Ends/Wednesday, June 10, 2026