

## Chapter 2

# The Legal System

*'Proximity to the Mainland and being the world's freest economy will continue to provide Hong Kong with an edge. However, the ultimate key to Hong Kong's success is still the strict adherence to the rule of law.'* — Secretary for Justice, Mr Wong Yan Lung, SC, Commonwealth Law Conference, April 7, 2009.

The legal system of the Hong Kong Special Administrative Region (HKSAR) differs from that of the Mainland, and is based on the common law.

The constitutional framework for the legal system is provided at the international level by the Sino-British Joint Declaration and at the domestic level by the Basic Law, enacted by the National People's Congress (NPC) of the People's Republic of China (PRC) under Article 31 of the Chinese Constitution. Both the Joint Declaration and the Basic Law guarantee the continuance of the existing legal system after China resumed the exercise of sovereignty over Hong Kong on July 1, 1997.

### Continuation of the legal system

Common law principles, and nearly all the ordinances that were in force before July 1, 1997, continue to apply in the HKSAR. Some ordinances required adaptation to bring them into line with the Basic Law and to reflect Hong Kong's new status as a Special Administrative Region of the PRC. Most of these ordinances have now been adapted and those that have not require further consideration of the policy issues involved.

The existing courts and tribunals were re-established on July 1, 1997 (though some were renamed). The Hong Kong Court of Final Appeal was established on that date and replaced the Judicial Committee of the Privy Council as the highest court of appeal for Hong Kong. All serving judges were reappointed by the HKSAR's Chief Executive on July 1, 1997. All judicial proceedings that had been instituted before July 1, 1997 were continued by virtue of the Hong Kong Reunification Ordinance.

## **Law in the HKSAR**

The laws in force in the HKSAR are:

- (1) the Basic Law;
- (2) national laws listed in Annex III to the Basic Law;
- (3) the laws in force before July 1, 1997 that were adopted as laws of the HKSAR by the NPC's Standing Committee (including the common law, rules of equity and customary law as well as statutory law); and
- (4) laws enacted by the HKSAR's legislature.

National laws relating to defence and foreign affairs, as well as other matters outside the HKSAR's autonomy, may be applied locally by way of promulgation or legislation by the HKSAR. Currently, 12 national laws apply in the HKSAR.

All ordinances in force in the HKSAR are bilingual, and their Chinese and English texts are equally authentic. All legislation is published in both a hard-copy loose-leaf edition and on the internet.

## **International treaties and agreements applying to the HKSAR**

Under the Basic Law, multilateral treaties can apply to the HKSAR. There are approximately 239 such treaties. In certain areas, the HKSAR can conclude its own bilateral agreements and 173 such agreements have been concluded. Lists of these treaties and agreements and the English texts of the agreements are available on the internet.

## **Court challenges under the Basic Law**

Since July 1, 1997, Hong Kong has, for the first time, a detailed written constitution. Litigants are able to base their arguments on provisions of the Basic Law, and challenge actions that they believe are inconsistent with them.

Legal challenges based on the Basic Law have been launched in a wide variety of cases. Constitutional challenges have included the right of abode in Hong Kong of various categories of persons, the right to use the Chinese language in courts, the freedom to travel and enter the HKSAR, the Court of Final Appeal's power of final adjudication, the right to legal representation and the freedom of speech and of assembly. The gradual development of a body of jurisprudence on the Basic Law reinforces its effectiveness in determining the rights, obligations, powers and privileges guaranteed to the people of Hong Kong.

## **Arbitration and Alternative Dispute Resolution**

Arbitration in the HKSAR is governed by the Arbitration Ordinance, which provides a domestic regime derived from English law and for international arbitrations incorporates the Model Law adopted by the United Nations Commission on International Trade Law ('the UNCITRAL Model Law'). A bill is currently before the Legislative Council which proposes to abolish the distinction between domestic

and international arbitrations and recommends that the UNCITRAL Model Law be adopted as the basis of the arbitration regime in Hong Kong.

HKSAR awards can be enforced in more than 135 jurisdictions that are signatories to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards. A system for reciprocal enforcement of arbitration awards between the HKSAR and the Mainland, based on the spirit of the New York Convention, has been in place since January 2000.

The Hong Kong International Arbitration Centre (HKIAC) was established in 1985 to be a focus for dispute resolution in Hong Kong and the region. The HKIAC provides advisory and support services for the resolution of local and international disputes by arbitration, adjudication and mediation. In 2008, the International Court of Arbitration of the International Chamber of Commerce established a branch of its secretariat in Hong Kong to administer arbitration cases in the region.

The Secretary for Justice chairs the Working Group on Mediation, which was established in February 2008 with the primary purpose of promoting the use of mediation in Hong Kong. The Working Group expects to present a report for public consultation in early 2010.

### **The Secretary for Justice**

The Secretary for Justice heads the Department of Justice, and is the Chief Executive's legal adviser and a member of the Executive Council. The Secretary for Justice chairs the Law Reform Commission and is the Deputy Chairman of the Fight Crime Committee, and is a member of the Judicial Officers Recommendation Commission and the Operations Review Committee of the Independent Commission Against Corruption.

The Secretary for Justice is the representative of the HKSAR Government in all actions brought by, or against, it and is also responsible for the drafting of all government legislation.

The Secretary for Justice is responsible for all prosecutions in the HKSAR, with responsibility for deciding whether a prosecution should be instituted in any particular case, and, if so, for instituting and conducting the prosecution.

The Department of Justice provides legal advice to all government departments and bureaux. It has five law divisions, each headed by a Law Officer to whom the Secretary for Justice delegates certain powers and responsibilities.

The Civil Division, headed by the Law Officer (Civil Law), provides legal advice to the Government on civil law, drafts commercial contracts and franchises and conducts civil litigation, arbitration and mediation, on behalf of the Government.

The International Law Division, headed by the Law Officer (International Law), advises the Government on issues relating to public international law. The division's lawyers participate in the negotiation of agreements and arrangements with other jurisdictions and, as members of the Chinese delegation, at the Hague Conference

on Private International Law. The division also handles requests to and from the HKSAR for international legal co-operation.

The Law Drafting Division, headed by the Law Draftsman, drafts all legislation, including subsidiary legislation, and assists in steering legislation through the Executive and Legislative Councils. It also compiles the loose-leaf edition of the Laws of Hong Kong and maintains the computer database of Hong Kong's legislation, which is available on the internet.

The Solicitor General heads the Legal Policy Division, which includes the Law Reform Commission Secretariat. The division provides legal policy input on a wide variety of topics being considered by the Government, and advises on issues affecting the administration of justice, human rights, constitutional law, Mainland law and the Basic Law.

The Director of Public Prosecutions heads the Prosecutions Division. The division's counsel conduct most criminal appeals, including those to the Court of Final Appeal, and the majority of trials in the Court of First Instance and the District Court. When necessary, they prosecute in the Magistrates' Courts. The division also provides legal advice on the criminal law to law enforcement agencies and other government departments.

### **The Law Reform Commission**

The Law Reform Commission considers and reports on those topics referred to it by the Secretary for Justice or the Chief Justice. Its membership includes judges, academics, practising lawyers and prominent community members.

Since its establishment in 1980, the commission has published 55 reports covering subjects as diverse as commercial arbitration, divorce, data protection, fraud and hearsay in civil proceedings. The commission is currently considering a range of subjects, including charities, class actions, double jeopardy and sexual offences.

### **The legal profession**

Lawyers in Hong Kong are admitted as either barristers or solicitors. Generally, solicitors have limited rights of audience whereas barristers have unlimited rights of audience in all courts. However, legislation has recently been enacted which will also allow solicitors with relevant qualifications or experience to exercise unlimited rights of audience. Lawyers practising within one branch of the profession are not, at the same time, allowed to practise within the other branch.

Hong Kong has 6 465 practising solicitors and 738 local law firms, plus 70 foreign law firms, 1 203 registered foreign lawyers, and 27 registered associations between foreign law firms and local law firms. Around 336 solicitors are also notaries public, and are members of the Hong Kong Society of Notaries.

The Law Society is responsible for maintaining professional and ethical standards of solicitors and foreign lawyers and foreign law firms and for considering complaints against these legal professionals.

The governing body for Hong Kong's 1 089 barristers is the Hong Kong Bar Association. The Bar's Code of Conduct governs their conduct and etiquette.

## **The Judiciary**

A key element in the success and continuing attraction of the HKSAR is that its judicial system operates on the principle, fundamental to the common law system, of the independence of the judiciary from the executive and legislative branches of government. The courts make their own judgments, whether disputes before them involve private citizens, corporate bodies or the Government itself. And the Government is advised on matters relating to pay and conditions of service of judicial officers by an independent Standing Committee on Judicial Salaries and Conditions of Service.

The Court of Final Appeal is the highest appellate court in the HKSAR. The court is headed by the Chief Justice. There are three permanent judges and a panel of three non-permanent Hong Kong judges and 11 non-permanent judges from other common law jurisdictions. In hearing and determining appeals, the court will consist of five judges, and the court may, as required, invite a non-permanent Hong Kong judge or a non-permanent judge from other common law jurisdictions to sit on the court. The Chief Justice is the head of the Judiciary. He is assisted in the overall administration by the Judiciary Administrator.

The High Court, comprising the Court of Appeal and the Court of First Instance, is headed by the Chief Judge of the High Court. Sitting in the High Court in addition to the Chief Judge are 10 Justices of Appeal and 32 Judges of the Court of First Instance. The Registrar, Senior Deputy Registrars and Deputy Registrars of the High Court deal mainly with interlocutory and taxation matters.

The Court of Appeal hears civil and criminal appeals from the Court of First Instance, the District Court and the Lands Tribunal. The Court of First Instance has unlimited jurisdiction in all civil and criminal matters. Civil matters are usually tried by Court of First Instance judges sitting without juries, although there is a rarely used provision for jury trials in certain cases, including defamation. Criminal offences in the Court of First Instance are tried by a judge with a jury of seven, or when a judge so orders, a jury of nine. The Court of First Instance also hears appeals from the Magistrates' Courts and the Labour and Small Claims Tribunals.

The District Court is one level below the Court of First Instance. It comprises the Chief District Judge, one Principal Family Court Judge and 33 judges. There is no jury in all District Court proceedings. There are also a Registrar and four Deputy Registrars dealing with interlocutory and taxation in civil matters. The District Court tries criminal cases except murder, manslaughter and rape. The maximum sentencing power is seven years' imprisonment. Its general civil jurisdiction is limited to claims up to \$1 million, or recovery of land where the rateable value does not exceed \$240,000. It has jurisdiction over employees' compensation and matrimonial matters including divorce, custody, maintenance and adoption. It also has jurisdiction to hear stamp duty assessment appeals.

The Magistrates' Courts process about 90 per cent of the cases in Hong Kong annually. Led by the Chief Magistrate, the team consists of seven Principal Magistrates, 51 Permanent Magistrates and seven Special Magistrates sitting in seven locations. Magistrates exercise criminal jurisdiction over a wide range of offences. In general, their sentencing power is limited to two years' imprisonment and a fine of \$100,000. Specific statutory provisions empower magistrates to impose sentences of up to three years' imprisonment and a fine of \$5 million. Magistrates also handle cases in the Juvenile Courts which deal with offences, except homicide, committed by children and young persons below 16 years of age. Special Magistrates handle minor offences such as traffic contraventions. Their sentencing power is limited to a maximum fine of \$50,000 or as specified in their warrants of appointment.

In addition, there are five tribunals. The Lands Tribunal handles tenancy claims, rating and valuation appeals, applications for compulsory sale of buildings for redevelopment, and compensation assessments when land is resumed by the Government or reduced in value by development. The Labour Tribunal handles claims arising from contracts of employment. The Small Claims Tribunal handles civil claims of up to \$50,000. The Obscene Articles Tribunal determines whether articles are obscene or indecent. It also classifies articles submitted by authors and publishers. The Coroner's Court conducts inquests and inquires into the causes of and circumstances connected with a death.

In accordance with the Basic Law and the Official Languages Ordinance, the courts can use both official languages in any proceedings.

## **Legal Aid**

Eligible applicants receive legal aid through the provision of the services of a solicitor and, if necessary, that of a barrister in court proceedings. Legal aid ensures that a person who has reasonable grounds for pursuing or defending a legal action is not prevented from doing so because of a lack of means. Publicly funded legal aid services are provided through the Legal Aid Department and the Duty Lawyer Service.

### *Legal Aid Department*

The Legal Aid Department provides legal aid services to any person in Hong Kong, resident or non-resident, who satisfies the criteria for legal aid, namely the means and merits tests.

### *Legal Aid in Civil Cases*

Legal aid under the Ordinary Scheme is available for civil proceedings in the District Court, Court of First Instance, Court of Appeal, Court of Final Appeal, application to the Mental Health Review Tribunal and certain death inquests. The scope of legal aid covers cases affecting major areas of the livelihood of the community including family and matrimonial disputes, personal injury claims, employment disputes, disputes related to landed properties, contractual disputes, immigration matters and professional negligence claims.

An applicant must pass the means and merits tests to qualify for legal aid. For the means test, the applicant must show that his financial resources being the aggregate of his annual disposable income and total disposable capital after deduction of certain statutory allowances, do not exceed \$175,800. The Director of Legal Aid may waive the upper financial eligibility limit in meritorious cases where a breach of the Hong Kong Bill of Rights Ordinance or an inconsistency with the International Covenant on Civil and Political Rights as applied to Hong Kong is an issue.

For the merits test, the applicant must satisfy the Director of Legal Aid that he has reasonable grounds for bringing or defending the civil proceedings. An aided person may be required to pay a contribution depending on his financial resources and is required to pay back all the expenses incurred in the proceedings that are not recovered from the opposite party out of property recovered or preserved on his behalf in the proceedings.

An applicant who is refused civil legal aid may appeal to the Registrar of the High Court, or in Court of Final Appeal cases, to a Review Committee chaired by the Registrar of the High Court and comprising a barrister and a solicitor.

During the year, 17 187 applications for legal aid were received, and legal aid was granted to 8 910 applicants. The Legal Aid Department's expenditure on civil cases was \$369.8 million, and \$744.2 million was recovered for the aided persons.

#### *Supplementary Legal Aid Scheme*

This scheme provides legal assistance to applicants whose financial resources exceed the limit stipulated in the Ordinary Legal Aid Scheme but do not exceed \$488,400. The scheme covers cases involving personal injury or death, medical, dental or legal professional negligence, where the claim for damages is likely to exceed \$60,000, as well as claims under the Employees' Compensation Ordinance irrespective of the amount of the claim.

The scheme is self-financing and funded by contributions paid by aided persons and a percentage payment deducted from damages or compensation recovered on their behalf. In 2009, the scheme received a total of 170 applications, and legal aid was granted to 121 applicants. Expenditure was \$5.6 million and \$39.2 million was recovered on behalf of the aided persons.

#### *Legal Aid in Criminal Cases*

Legal aid is available for criminal trials in the Court of First Instance and the District Court, committal proceedings in the Magistrates' Courts, appeals from the Magistrates' Courts and for appeals to the Court of Appeal and the Court of Final Appeal.

Applicants who pass the means test will be granted legal aid for trial provided the Director of Legal Aid is satisfied that it is in the interests of justice for legal aid to be granted. For appeal, it must be shown that there are valid grounds for doing so except for appeals involving applicants charged with murder, treason or piracy with violence.

The Director of Legal Aid has discretion to grant legal aid in a criminal case even though the applicant's financial resources exceed the eligibility limit if he is satisfied that it is desirable in the interests of justice to do so, subject to payment of a contribution. An applicant who passes the means test but is refused legal aid may apply to a judge for legal aid to be granted to him. Applicants charged with or convicted of murder, treason or piracy with violence, may apply to a judge for legal aid not only for the trial or appeal, but also for exemption from the means test or payment of a contribution.

Appeals against refusal of legal aid for appeals to the Court of Final Appeal are heard by a Review Committee chaired by the Registrar of the High Court and comprising a barrister and a solicitor. During the year, 3 816 applications for criminal legal aid were received and legal aid was granted to 2 800 applicants. Total expenditure on criminal cases was \$103 million.

### *The Official Solicitor*

The Director of Legal Aid was appointed the Official Solicitor under the Official Solicitor Ordinance which took effect on August 1, 1991.

The Official Solicitor's main duties are to act as 'guardian ad litem' or 'next friend' in legal proceedings for persons under a disability of age or who are mentally incapacitated, as representative of deceased persons' estates for the purpose of legal proceedings, as Official Trustee and Judicial Trustee and to act as committee of the estate of mentally incapacitated persons. In 2009, the Official Solicitor Office took up 229 new cases.

## **Director of Intellectual Property**

This statutory office was established in 1990 under the Director of Intellectual Property (Establishment) Ordinance. The Intellectual Property Department operates the Trade Marks, Patents, Designs and Copyright Licensing Bodies Registries. It is also responsible for making recommendations on policy and legislation related to intellectual property protection, providing civil intellectual property legal advice to the Government and promoting public awareness of and respect for intellectual property rights.

## **Rights of the Individual**

### *Legal protections*

Chapter III of the Basic Law prescribes the fundamental rights and freedoms of people in Hong Kong. In particular, Article 39 (which forms part of Chapter III) provides that the provisions of the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR) as applied to Hong Kong shall remain in force.

Additionally, the Hong Kong Bill of Rights Ordinance gives domestic effect to the provisions of the ICCPR as applied to Hong Kong.



Protection is also provided in the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance which are enforced by the Equal Opportunities Commission. The Personal Data (Privacy) Ordinance — administered by the Privacy Commissioner for Personal Data — protects the right to privacy with respect to personal data.

## United Nations Human Rights Treaties and Reporting

Fifteen international human rights treaties are applicable to Hong Kong. Seven of these (the ICCPR, the ICESCR, the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD), the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT), the Convention on the Rights of the Child (CRC), the Convention on the Elimination of All Forms of Discrimination Against Women, and the United Nations Convention on the Rights of Persons with Disabilities) require states parties to submit periodic reports to the United Nations (UN) treaty monitoring bodies plus other information requested by them. The HKSAR normally submits these reports as part of corresponding reports submitted by China, with the exception of the ICCPR which China has not yet ratified.

The UN Human Rights Council conducts a Universal Periodic Review (UPR) of human rights in all UN member states. The HKSAR's report is submitted as part of China's report for the review.

With the exception of the ICCPR, the HKSAR teams attend hearings of relevant treaty bodies as part of the Chinese delegation. In the case of the ICCPR, the HKSAR attends hearings under the leadership of the Chinese Permanent Representative and Ambassador to the UN.

As part of the Chinese delegation, the HKSAR team attended hearings on two reports, one submitted under the UN Human Rights Council UPR mechanism, and the other under the ICERD. The hearings took place in February and August 2009, respectively. The Government also prepared Hong Kong's report under the CRC which would be incorporated in China's report.

## Promotion of Racial Equality and Harmony

### *The Race Discrimination Ordinance and administrative guidelines*

The Race Discrimination Ordinance, which protects the rights of individuals against discrimination, harassment and vilification on racial grounds, was enacted in 2008 and came into full operation in July 2009. In addition, the Government drew up administrative guidelines to help relevant bureaux and departments promote racial equality in their formulation of policies and measures.

### *The Committee on the Promotion of Racial Harmony*

The Committee was established in 2002. It advises the Government on the promotion of racial harmony and equality, including the provision of support services to ethnic minorities, and on proposals for race related public education and publicity.

Secretariat support is provided by the Race Relations Unit of the Constitutional and Mainland Affairs Bureau (CMAB).

### *The Race Relations Unit*

The unit was set up in June 2002 to promote the interests of ethnic minorities. It sponsors language classes conducted by non-governmental organisations and radio programmes in the languages of different ethnic minorities, organises a Harmony Scholarship Scheme, publishes a service guidebook in different languages and provides other support services as well to help them integrate into the community.

### *Support Service Centres for ethnic minorities*

The Government is also funding non-governmental organisations to run four support service centres for ethnic minorities. All of which commenced operation during the year, organising language classes and other activities to help them integrate into the community. One of the centres provides free interpretation service on the phone to assist them in the use of public services.

## **Children's Rights**

The Government supports various initiatives to strengthen awareness of children's rights enshrined in the Convention on the Rights of the Child (CRC).

It has set up a Children's Rights Forum to enable better communication with children and advocates of children's rights, and to provide children with additional opportunities to express their views.

The Government has also established a Children's Rights Education Funding Scheme which provides financial assistance to non-governmental organisations to promote children's rights. Administrative support for the forum and the funding scheme is provided by the Children's Rights Unit in the CMAB.

As the CRC celebrates its 20th anniversary this year, the Government has enhanced its efforts to promote children's rights, including providing additional sponsorship under the funding scheme and launching a new television announcement of public interest.

## **Equal Opportunities Commission**

The Equal Opportunities Commission (EOC) is an independent statutory body established in 1996 under the Sex Discrimination Ordinance to implement the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance, and the Race Discrimination Ordinance.

The EOC's functions include handling complaints, encouraging conciliation, providing assistance to aggrieved persons, and running public education, research and training programmes to promote equal opportunities and to eliminate discrimination on the grounds of sex, marital status, pregnancy, disability, family status and race.

In 2009, the EOC received 3 731 enquiries and 860 complaints relating to the four anti-discrimination ordinances. A total of 173 complaints were successfully conciliated.

### **Office of the Privacy Commissioner for Personal Data**

The Office of the Privacy Commissioner for Personal Data (PCPD) was established in 1996 as an independent statutory body under the Personal Data (Privacy) Ordinance (PDPO) to monitor, supervise and promote compliance with the PDPO.

In 2009, the PCPD handled 1 151 complaints and 18 760 enquiries, issued 25 enforcement notices, referred eight cases to the Police for prosecution and handled 10 matching procedure applications and 107 compliance checks. The PCPD released four investigation reports on important complaint cases to give the public an inside view of how such complaints are handled.

The PCPD organised a series of public seminars during the year to promote awareness and greater understanding of the purpose of the PCPD. In May, the PCPD collaborated with the Hospital Authority to launch a third industry-wide campaign to drive home to industries with large amounts of personal data the importance of the protection of such data.

On the international front, the PCPD organised 'Privacy Awareness Week 2009' jointly with members of the Asia Pacific Privacy Authorities (APPA) in May, and went on to host the 31st APPA Forum in Hong Kong the following month.

The Government, with the support of the PCPD, has conducted a comprehensive review of the PDPO to see whether its existing provisions afforded adequate protection for personal data in the wake of the developments of the past decade. The review was put up for public consultation in August.

### *Websites*

Administration Wing, Chief Secretary for Administration's Office:

[www.admwing.gov.hk](http://www.admwing.gov.hk)

Department of Justice: [www.doj.gov.hk](http://www.doj.gov.hk)

Judiciary: [www.judiciary.gov.hk](http://www.judiciary.gov.hk)

Legal Aid Department: [www.lad.gov.hk](http://www.lad.gov.hk)

Home Affairs Bureau: [www.hab.gov.hk](http://www.hab.gov.hk)

Constitutional and Mainland Affairs Bureau: [www.cmab.gov.hk](http://www.cmab.gov.hk)

Intellectual Property Department: [www.ipd.gov.hk](http://www.ipd.gov.hk)