

GOVERNMENT BUDGET 2025-2026 LAW SOCIETY SUBMISSION

1. The Law Society of Hong Kong makes the following submission in response to the Government's consultation on the Budget 2025-2026.

Economic impact of legal and dispute resolution services sector

2. Hong Kong legal and dispute resolution services sector generates strong economic impact.
3. The International Bar Association, in June 2024, published a report¹ on the social and economic impact of the legal profession ("Impact Report"), which reveals that in 2022, the legal profession directly contributes US\$1.6 trillion to the global economy, or 1.7% of the world's GDP, via the work of more than 20 million lawyers, paralegals and support staff alongside a further 14 million workers in the supplier sector, including notaries and translators. The Impact Report also highlights that the legal profession has an indirect economic influence through the contribution to the rule of law.
4. In the context of Hong Kong, as of 31 December 2024, there are over 13,300 solicitors in Hong Kong, working in over 900 Hong Kong law firms. There is also a significant portion of solicitors work as in-house lawyers in different companies and government/statutory bodies. There are over 1,500 registered foreign lawyers from 31 jurisdictions and over 90 registered foreign law firms from 21 jurisdictions in Hong Kong.
5. The business value generated from professional services (legal, accounting and auditing services) in 2023 was HK\$35.1 billion, representing 1.2% of GDP of Hong Kong; and the number of employed persons in the professional services (legal, accounting and auditing industries) was 59,900, accounting for 1.6% of the total employment of Hong Kong².

¹ [The IBA's report on the social and economic impact of the legal profession](#), International Bar Association.

² [Value added and employment in respect of the Four Key Industries](#), Census and Statistics Department.

6. A strong legal and dispute resolution services sector is vital to the economy. With the rise of Artificial Intelligence (AI), LawTech and other technologies, it is important that the legal and dispute resolution services sector be able to acquire the skills needed to adopt the latest technology and boost productivity. We advocate for the Government's support and funding for AI skilling initiatives. Upskilling the workforce of the legal and dispute resolution services sector can help strengthen Hong Kong as the leading centre for international legal and dispute resolution services in the Asia-Pacific Region.
7. The legal and dispute resolution services sector also contributes to the development of Hong Kong as the capacity building centre for the Belt and Road Initiative and the Greater Bay Area.
8. The Chief Executive in his policy address in 2024 foreshadowed that the Hong Kong International Legal Talents Training Academy would be officially launched in 2024, *"cultivating legal talents to be familiar with international law, common law, civil law, national legal systems and other legal aspects. The dedicated office and expert committee under the Department of Justice are pressing ahead with the related work"*. Hong Kong is best placed to facilitate the building of a strong team of legal professionals to serve the country. To this end, we suggest the Government allocate more financial support to various legal professional bodies to provide common law and international training, so as to make Hong Kong a training base of international legal talent.
9. Our unique edges and characteristics enable Hong Kong to play a proactive role under the Belt and Road Initiative for which Hong Kong has positioned itself as a super-connector between China and other countries.
10. We support the Government's initiatives to continue to invest and explore new business opportunities in the Belt and Road regions, including the establishment of the Belt and Road Office which aims to lead and coordinate the work of the Government to promote the full participation in the Belt and Road regions of Hong Kong. We are prepared to discuss and offer our views on matters relating to the promotion of Hong Kong under the Belt and Road regions and other areas, including the Greater Bay Area.

Upholding the rule of law

11. The rule of law is the bedrock of a thriving economy and a stable, prosperous society. To demonstrate its commitment to upholding this fundamental principle, the Government should allocate adequate resources to our courts and legal aid system.

12. Hong Kong's robust common law legal system and the esteemed reputation of our Judiciary make our jurisdiction the preferred choice for businesses seeking to resolve disputes. To maintain an independent and effective judicial system that upholds the rule of law, it is imperative for the Government to ensure sufficient funding for our courts, especially to meet the growing demand for advanced technology in court operations.
13. We propose that the integrated Court Case Management System of the Judiciary be enhanced to include an e-service function, in addition to the current e-filing capability. This enhancement would streamline legal processes, improve accessibility, and reduce administrative burdens. Furthermore, the adoption of voice-to-text technology for preparing official transcripts would significantly expedite court proceedings and improve accuracy, thereby facilitating more efficient trials.
14. Investing in these technological advancements not only modernizes our legal infrastructure but also reinforces Hong Kong's position as a leading centre for international legal and dispute resolution services. By ensuring that justice is administered efficiently and that it keeps pace with the evolving needs of our society – such as increased caseloads, the need for remote access to court services (including remote hearings), and the efficient management of complex commercial legal disputes – we can foster greater investor confidence and promote commercial activities. An efficient and technologically advanced judicial system enhances Hong Kong's appeal to global investors, supporting the development of commerce and maintaining our status as a premier international financial centre.

Strategic initiatives on economic growth areas

15. Strategically, the Government could consider formulating effective policy and fiscal initiatives on the following six economic growth areas, namely asset and wealth management, transportation and logistics (maritime and aviation), intellectual property, sports, entertainment, and arts and culture.

Boosting Asset and Wealth Management Business

16. Asset and wealth management (including family office) is one of the fast-growing economic sectors in Hong Kong. In 2022, the asset and wealth management business of Hong Kong amounted to over HK\$30.5 trillion with 64% of the funding sourced from non-Hong Kong investors³.

³ [Asset and Wealth Management](#), Financial Services and the Treasury Bureau

17. The continuous growth of the asset and wealth management business in Hong Kong will generate capital inflow to Hong Kong and create more demands for the relevant professional services, e.g. legal and banking services.
18. We recommend the Government to continue to invest adequate funding and implement policy and fiscal initiatives to support the development of the wealth management business of Hong Kong, including modernising its trust laws and legislations for the fiduciary services, maintaining a simple and low tax regime for individuals and businesses in Hong Kong; and offering tax concessions and incentives to wealth management businesses.

Enhancing the Competitiveness of the Transportation and Logistics Sectors

Maritime

19. In 2024, Hong Kong continued to be one of the busiest international transportation centre in the world; and Hong Kong was ranked fourth in the International Shipping Centre Development Index (ISCDI). The Chief Executive in his 2024 Policy Address set out various initiatives to promote Hong Kong's status as an international transportation centre, including the establishment of the Hong Kong Maritime and Port Development Board, which is tasked to assist the Government in formulating policies and long-term development strategies to strengthen Hong Kong's maritime industry.
20. We support the above initiative and consider that adequate funding should be provided to the Hong Kong Maritime and Port Development Board to support its proper operation. We also consider that the Government should explore and develop other initiatives in order to promote a sustainable development of Hong Kong's maritime and related industries, including enhancing and offering new tax incentives to attract maritime service enterprises from Mainland and abroad to establish a presence in Hong Kong.
21. In addition to tax incentives, we also invite the Government to consider providing funding to promote the development and supply of other professional services that are relevant to the maritime and related industries in Hong Kong, including (i) legal and dispute resolution services; (ii) media and public relation services; and (iii) finance and insurance services, training and consultancy services. These services will assist the enhancement of the overall competitiveness of Hong Kong; and provide a level-playing ground to the maritime and related industries in Hong Kong with other overseas competitors, such as London.

Aviation

22. The Cape Town Convention on International Interests in Mobile Equipment (“Cape Town Convention”) is a treaty designed to facilitate asset-based financing (including leasing), expand financing opportunities, and reduce costs; thereby providing substantial economic benefits. China (excluding Hong Kong and Macao) is one of the contracting parties to the Cape Town Convention. There are currently four Protocols (each cover one kind of equipment) to the Cape Town Convention, and the most widely used Aircraft Protocol relates to aircraft equipment. Since the aircraft market, e.g. aircraft financing, leasing and trading is expanding in Hong Kong and may contribute significantly to the economy of Hong Kong, consideration should be given to ratify/adopt the Cape Town Convention.

Harnessing Intellectual Property for Economic Growth and Innovation

23. Intellectual property (“IP”) trading serves as a pivotal driving force for economic growth, not only in terms of enhancing financial metrics, but also in establishing Hong Kong as a regional hub for innovation in the Asia-Pacific region. A robust IP framework can significantly attract both domestic and foreign investment, fostering an environment ripe for entrepreneurship and technological advancement.
24. To enhance and maximize the potential of IP trading and commercialization, additional resources are required. It is essential that resources be provided to establish a robust IP infrastructure which encompasses financing options and collateralization mechanisms. This is to ensure that both innovators and businesses can fully capitalise on their IP assets.
25. We trust that the Government would prioritize budget allocation that supports the ongoing copyright consultations and the preparation of the legal profession for the Madrid Protocol, as well as the potential regulation of patent practitioners with reserved titles. We also recommend that funding be allocated to conduct a feasibility study on the establishment of a copyright registration system for Hong Kong.
26. The above initiatives will significantly benefit our community and strengthen our IP framework. It is therefore crucial that these initiatives remain sufficiently funded by the Government, such that Hong Kong can maintain its competitive edge in IP protection and innovation.

27. Further, we wish to emphasize that the bedrock of effective IP protection lies in education. It is important for the Government to allocate resources to promote the importance of IP through a variety of engaging and informative methods. By raising public awareness about the need to respect and protect IP rights, we can cultivate a culture of innovation that underpins economic growth and development in Hong Kong.
28. In this context, we invite the Government to extend funding efforts to enhance and expand IP education beyond schools and universities, reaching into sectors such as finance and insurance. By fostering a deeper understanding of IP in these sectors, we can encourage more strategic investments that leverage IP assets, ultimately contributing to a more vibrant legal and economic landscape in Hong Kong.

Embracing the Synergy Effect of Sports, Business and Law

29. The sport and related industries are one of the fast-growing industries in Hong Kong. In 2022, the sport and related activities generated a business value of approximately HK\$38 billion (at basic value); and employed 74 000 persons which contributed to 2.1% of total employment of Hong Kong⁴.
30. The strengthening of sports development by the Government aligns with the national goal of building a strong sports nation. It also reflects the increasingly important role of the sports industry in the global landscape.
31. Developing a comprehensive sports industry can bring significant economic benefits to Hong Kong. We believe that adequate financial support should be provided to promote sports (including esports) in Hong Kong, in order to establish the city as a sports law centre for handling both non-contentious and contentious sports issues.
32. The scope of sports law for non-contentious matters is extremely broad. General legal principles, such as contract law, competition law, employment law and intellectual property law, could be applied to handle non-contentious sports issues. In this regard, we wish to highlight that the synergy between sports and intellectual property holds significant commercial potential, as the effective protection and leverage of IP rights not only safeguards athletes' brands and innovations but also drives financial growth. It could generate new revenue opportunities through sponsorships, licensing, and merchandising etc.

⁴ [Sports and Related Activities in Hong Kong](#), Census and Statistics Department.

33. In addition to general legal principles, establishing a set of specific rules and procedures to regulate international sports conduct is also essential for resolving non-contentious matters in the sports industry.
34. As for contentious matters, the sports industry needs an effective mechanism to ensure fair competition, uphold sports integrity and protect the legal rights of participants. Through alternative dispute resolution mechanisms, sports disputes could be resolved in a timely, fair, confidential, and effective manner.
35. As sports law is associated with a diverse array of sectors, we recommend the Government to establish a dedicated and high-performance unit by integrating personnel and resources from different Government departments, so that the dedicated unit could focus on affairs related to promoting sports development. We hope that this dedicated unit be given sufficient resources to maximize its functions for the promotion and implementation of sports law related work, and thereby accelerating and consolidating the development of the sports industry.
36. Adequate funding is crucial for establishing a comprehensive legal framework that covers all aspects of sports development, including the protection of athletes and other stakeholders' rights, ensuring fair competition, and maintaining sports integrity. A comprehensive policy is also a necessary condition for establishing the infrastructure needed to support sports development.
37. The above suggested approach will enhance the overall legal framework of Hong Kong and will also set a stage for major sporting events to take place in Hong Kong, thereby further enhancing Hong Kong's profile.
38. By way of passing remarks, with the development of the sports industry and related activities, and the huge success of Mainland and Hong Kong athletes in the 33rd Summer Olympic Games held in Paris in 2024, sports law received much public attention and policy focus. This has been canvassed in the 2024 Policy Address. Against this backdrop, the Law Society is presenting a ground-breaking Sports Law Mega Event⁵, the first of its kind dedicated to discussions and exchanges about the interface among sports, law and business against the backdrop of "One Country, Two Systems, and Three Jurisdictions". The mega event would serve as a platform for Hong Kong to showcase talents, enhancing the city's reputation in the regional sports arena and its positioning as a key player in the world of sports and its related industries.

⁵ See the [Law Society's webpage on the Sports Law Mega Event](#) for more details.

Leveraging the avenue for sports, entertainment, and arts and cultural events

39. In this connection, the Opening Ceremony and some of the sports competitions of the 9th Guangdong-Hong Kong-Macao Lawyers Sports Meet under the Law Society's Sports Law Mega Event are set to take place at the Kai Tak Sports Park ("KTSP"), the newly established home venue for Hong Kong. We appreciate that once it becomes operational, the KTSP is poised to play a crucial role not only in hosting sports events but also in facilitating entertainment and arts and cultural events.
40. Notably, Hong Kong's concert industry is a multi-billion dollar venture that contributes significantly to the city's tourism development. The National 14th Five-Year Plan has also expressed clear support for Hong Kong to develop into an "East-meets-West centre for international cultural exchange". We invite the Government to continue exploring how the KTSP could be leveraged to host large-scale events across the sports, entertainment, and arts and cultural sectors.
41. Lastly, we also wish to add that in order to fully unlock the potential of the KTSP in the above sectors, it is important for the Government to invest sufficiently in the development of legal frameworks and support systems (such as funding for legal education and training programs) that cater for both the common and the specific needs of the aforesaid different sectors. These investments will attract local and international talents and foster partnerships, thereby enhancing the overall appeal of the KTSP as a premier venue for diverse activities. Ultimately, a robust legal foundation will not only benefit those directly involved in the sectors but will also contribute to the broader economic growth and cultural vibrancy of Hong Kong.

**The Law Society of Hong Kong
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