Willis Towers Watson III'I'III

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Survey Report

Willis Towers Watson



June 2021

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1. Executive Summary of the 2020 Benchmark Study

- 1.1. In November 2020, Towers Watson Hong Kong Limited ("Willis Towers Watson", or "we") was commissioned by the Standing Committee on Judicial Salaries and Conditions of Service ("Judicial Committee") to conduct the 2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong ("2020 Benchmark Study").
- 1.2. The key objectives of the 2020 Benchmark Study are to collect information/data on legal sector earnings for analysis and comparison with judicial remuneration in Hong Kong, with a view to understanding whether judicial pay is broadly in line with the movements of legal sector earnings over time, as well as to gain a general perception of legal practitioners towards serving in the Judiciary.
- 1.3. The target respondents are legal practitioners who are eligible for appointment as Judges and Judicial Officers ("JJOs") from a statutory perspective, i.e., with at least 5 years of practice as a barrister or solicitor for Magistrate and Judge of the District Court ("District Judge"); and 10 years of practice for Judge of the Court of First Instance of the High Court ("CFI Judge"). The survey field covers barristers and solicitors in private practice, as well as in-house legal practitioners in selected public bodies and major corporations.
- 1.4. The 2020 Benchmark Study consists of (i) a quantitative study of Hong Kong legal practitioners' earnings and remunerations ("2020 Hong Kong Quantitative Study"); (ii) a qualitative study of Hong Kong legal practitioners' perceptions towards roles in the Judiciary ("2020 Hong Kong Qualitative Study"); and (iii) an overseas study of pay practices in the legal/judicial sector in six common law jurisdictions, namely Australia, Canada, New Zealand, Singapore, the United Kingdom and the United States ("Overseas Study").
- 1.5. In conducting the 2020 Hong Kong Quantitative Study, data/information on professional status, years of practice, earning/remuneration levels and movements, as well as interests in joining the bench is collected through a set of structured questionnaires.
- 1.6. In conducting the 2020 Hong Kong Qualitative Study, perceptions are collected via one-on-one interviews with barristers, solicitors, in-house legal practitioners practising law in Hong Kong and Hong Kong legal academics.
- 1.7. Additional questions are included in the questionnaires and asked during the interviews in the 2020 Benchmark Study, with particular foci on the impact of COVID-19 Pandemic on the survey respondents' earning levels, and on their interests and perceptions towards serving in the Judiciary, in the immediate future and in a longer term.
- 1.8. In conducting the Overseas Study, both desktop research and interviews are conducted aiming to summarise the key features in respect of pay practices in the legal/judicial sector having regard to the overall context of judicial appointment and judicial remuneration mechanisms for each of the six jurisdictions.
- 1.9. A summary of survey methodology and key findings of the 2020 Benchmark Study is as follows:
- 1.9.1. **Survey Reference Date:** The survey reference date is set at 31st March 2020, covering earnings in the tax year of 2019-20 (i.e. from 1st April 2019 to 31st March 2020).
- 1.9.2. **Definition of Earnings:** Earnings of private legal practitioners is defined as (i) for a barrister/solicitor operating as a sole proprietor/partner: net income or profit, before tax; or (ii) for a solicitor/in-house legal practitioners employed by a law firm or public body/major corporation: total remunerations including base salaries, fixed allowances paid in cash, guaranteed and flexible bonuses, long-term incentives granted for the year, and contributions to pension/retirement benefits by the employer, before tax. Such definition is aligned with the previous studies.

1.9.3. Legal Sector Reference: The legal sector reference represents the range of experience of the majority of the JJO population for each of the judicial ranks and is to form the basis for comparing the judicial salaries with the relevant legal sector earnings. The 2020 reference, drawn up on the basis of the current JJOs' profile, is set out in the following table. As compared to 2015, the 2020 reference is slightly revised. A comparison of the earnings using the 2020 legal sector reference and those adopted in 2015 has been conducted and the difference in the comparison results is minimal. Therefore, it is reasonable and safe to proceed on the basis that the 2020 legal sector reference is suitable for analysing the levels of legal sector earnings and movements with the previous studies.

Judicial Rank	Legal Sector Reference in the 2020 Benchmark Study
CFI Judge	Senior Counsel with 18 to 28 years of practice
District Judge	Junior Counsel with 14 to 24 years of practice
District Judge	Solicitors with 14 to 24 years of practice
	Junior Counsel with 5 to 15 years of practice
Magistrate	Solicitors with 5 to 15 years of practice

1.9.4. **Survey Responses:** For the Hong Kong Quantitative Study, among the 1,108 total data points received, 994 data points meet the statutory requirements of serving in the Judiciary; of those 994 data points, 935 further match the 2020 legal sector reference and could be utilised in the 2020 Hong Kong Quantitative Study for the purpose of analysing the levels of legal sector earnings and movements. From a statistical significance perspective, these 935 data points have met the minimum response required for this study, i.e. approximately 600 to 700, which is equivalent to a sampling at a confidence level of 95% with a 5% margin of error on a survey population of 9,189, and therefore form a sound and valid dataset to develop references for this study. For the Hong Kong Qualitative Study, we have conducted interviews with 49 Hong Kong individuals in the legal sector to tap their views on the judicial service and remuneration. Both the response rate of the Hong Kong Quantitative Study and Qualitative Study are better than that in 2015. For the Overseas Study, 6 interviews with overseas legal practitioners have been conducted. A detailed breakdown of survey respondents is as follows:

Survey Facture	Number of Survey Res	pondents/Interviews
Survey Feature	2015 Benchmark Study	2020 Benchmark Study
(1) Quantitative Study	731	994
(1.a) Barristers	212	221
(1.b) Solicitors	481	670
(1.c) In-house legal practitioners	38	103
(2) Qualitative Study	35	49
(2.a) Barristers	18	17
(2.b) Solicitors	15	26
(2.c) In-house legal practitioners	2	3
(2.d) Legal academics	n.a.	3
(3) Overseas Study (interviews)	n.a. (new feature in 2020)	6

- 1.9.5. **Impact of COVID-19 Pandemic:** The 2020 Benchmark Study captures earning levels during the outbreak of the global COVID-19 Pandemic. In general, around 50% of the survey respondents indicate an earning loss. In view of the statistical significance, it is necessary to take this into consideration when reviewing the comparative results of the 2020 Benchmark Study.
- 1.9.6. Findings of 2020 Hong Kong Quantitative Study: Differential analyses are conducted by comparing the average annual total cost (base salaries and fringe benefits, including housing benefits, retirement benefits, medical benefits, leave passage and education allowances, that are paid over 12 months) of judicial pay at the three judicial ranks, with the 75th percentile (P75) of the respective legal sector earnings.

Judicial Rank	Legal Sector Reference	Differentials of Judicial Pay versus Legal Sector Earnings ⁽¹⁾						
		2010 ⁽²⁾	2015 ⁽²⁾	2020				
CFI Judge	Senior Counsel (18 to 28 years of practice)	-42%	-60%	-48%				
District	Junior Counsel (14 to 24 years of practice)	10%	-4%	7%				
Judge	Solicitors (14 to 24 years of practice)	10%	-4%	19%				
Magiatrata	Junior Counsel (5 to 15 years of practice)	7%	-16%	19%				
Magistrate	Solicitors (5 to 15 years of practice)	13%	20%	45%				

⁽¹⁾ The differential between judicial pay and legal sector earnings is presented as a percentage -

Legal Sector Earnings

⁽²⁾ The 2010 and 2015 Benchmark Studies adopted a slightly different set of legal sector references.

- The study indicates that the pay differentials in the three judicial ranks are different from those in 2015.
- For CFI Judge, while the judicial pay is consistently below its corresponding legal sector earnings in 2010, 2015 and 2020, the pay lag narrows during the five-year period from 2015 to 2020 (i.e., from -60% to -48%); and
- For District Judge and Magistrates, different from the position in 2015, the judicial pay is ahead of the respective legal sector earnings. The findings also reveal that Junior Counsel generally have higher but more volatile earnings as compared with their solicitor counterparts.
- 1.9.7. Findings of 2020 Hong Kong Qualitative Study: Among the 49 interviews, the majority (i.e., over 50% of interviewees) indicates limited interest in serving in the Judiciary at this moment. Other key findings, which are consistent with the findings of the 2015 Benchmark Study, are outlined as follows:
 - The perceived attractiveness of a role in the Judiciary is consistent across the legal community. The three most quoted factors that make a judicial role attractive include: (i) serving the community; (ii) security of job and earnings; and (iii) change of workstyle and lifestyle.
 - The three most quoted factors that make a judicial role less attractive include: (i) loneliness and cutting/limited social ties; (ii) limited support and interaction with fellow professionals; and (iii) lack of flexibility of work schedule and working hours.
 - Input has also been sought in terms of changes that may make a career move more attractive. These include (i) making transparent the selection criteria and typical career progression trajectory; (ii) modernising the working environment and strengthening the support to JJOs (such as increasing the number of legally trained assistants) to address

Judicial Pay <u>less</u> Legal Sector Earnings x 100%

workload concerns; and (iii) broadening the potential talent pool suitable for consideration of appointment as JJOs.

- 1.9.8. **Findings of Overseas Study:** Hong Kong¹ has both similarities and uniqueness in the overall judicial and legal sector environment.
 - Similar to Hong Kong, all the six overseas jurisdictions surveyed have their own set of constitutional or statutory requirements for their legal practitioners to serve in their respective judiciaries such as statutory talent pool, retirement age, and pay adjustment considerations.
 - There are however some elements where Hong Kong is unique from the other six jurisdictions, including (i) Hong Kong, as with the United Kingdom, has a higher year of practice requirement for judicial roles; and (ii) Hong Kong still maintains two separate branches of the legal profession, i.e. barristers and solicitors practising as either one or the other.
 - From the overseas interviews, all interviewees agree that serving as a judge is a vocation; considering a judicial role is a decision taken over and above financial considerations. Majority of them cite serving the community as a primary pull factor. However, since some of the overseas jurisdictions provide some flexibility in terms of returning to private practice after a judicial career, the choice is not a final point in a legal career.
 - From an annual remuneration adjustment perspective, majority of overseas JJOs have annual salary increase rates comparable to CPI but lower than the private sector. This publicly available information together with a general perception of lower remuneration highlights the careful financial considerations that are likely taken by the overseas legal practitioners as part of their decisions to move into the Judiciary.

1.9.9. Conclusion

- In Hong Kong, owing to the fundamental difference in salary structure and adjustment mechanism for judicial pay on the one hand and the legal sector earnings and the changing economic environment determined by, among others, external factors on the other, the degree of pay increase for the two differs considerably during the five-year period from 2015 to 2020: judicial pay shows a steady increase; legal sector earnings generally stays on the rise but by a smaller magnitude. For the judicial rank of CFI Judge, while judicial pay continues to lag behind the legal sector earnings, the gap narrows. For the judicial ranks of District Judge and Magistrate, judicial pay has surpassed or remains above their legal sector earnings.
- The inherent differences in remuneration practices between the judicial service and the legal sector have contributed to the pay differentials between judicial pay and legal sector earnings. Due regard should therefore be given to such inherent differences when interpreting the survey findings.
- Notwithstanding the pay differentials, it is apparent from the interview findings that remuneration or earnings is not a determinative driver but an important factor to be considered in terms of the timing of making a career move to the Judiciary. The perceptions and attitudes of barrister and solicitor respondents towards the judicial service and remuneration remain broadly in line with the previous studies. The Judiciary may wish to consider some proactive, longer term planning actions to generate greater awareness of and interest within the legal community in the different career opportunities in the Judiciary.

¹ Hong Kong is a Special Administrative Region of the People's Republic of China (i.e. not a sovereign state).

2. Report Overview

- 2.1. This report begins by outlining the background and objectives of the study (Section 3). The Survey Methodology section sets out the guiding principles of the study, definition of survey terminologies, the survey reference date and target respondents, as well as the 2020 legal sector reference of the 3 judicial ranks CFI Judge, District Judge and Magistrate (Section 4). It is followed by the Survey Execution section describing the survey solicitation and data collection processes, including data verification and validation to enhance data quality (Section 5).
- 2.2. The 3 subsequent sections present the survey results and findings of the study (Sections 6 to 8). These sections include the earning movements from 2015 to 2020, perceptions and interests towards serving in the Judiciary, and the overall context of the judicial remuneration framework in 6 overseas jurisdictions, namely, Australia, Canada, New Zealand, Singapore, the United Kingdom and the United States.
- 2.3. The report concludes with a series of observations and recommendations of this study and points on the technical aspects of survey approach for future studies (Section 9).

3. Introduction and Background of the 2020 Benchmark Study

3.1. Introduction

- 3.1.1. In November 2020, Willis Towers Watson was commissioned by the Judicial Committee to conduct the 2020 Benchmark Study.
- 3.1.2. We would like to express our sincere gratitude to all parties who have contributed to the conduct of the 2020 Benchmark Study, particularly the Judicial Committee for its advice on the survey methodology and its appeals to the two professional bodies representing together the legal profession, i.e., the Hong Kong Bar Association ("Bar Association") and the Law Society of Hong Kong ("Law Society").
- 3.1.3. We are thankful for the support of the Bar Association and Law Society, who publicised the survey to its members and encouraged survey participation. The Chairman of the Bar Association and the President of the Law Society respectively appealed for their members' support for the study through their weekly circulars. Furthermore, the Bar Association assisted in disseminating the data collection packages to their members directly, while the Law Society provided support in sending individual survey invitation emails to their members.
- 3.1.4. Our thanks also go to the individual barristers, solicitors, law firms, public bodies and major corporations who participated in the questionnaire survey, and/or accepted our interviews to share their valuable opinions on this important study.
- 3.1.5. Last but not least, we would like to record our appreciation to the Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service for their advice and their assistance in liaising with the secretariats of the two professional bodies and other relevant stakeholders. These have greatly facilitated the smooth conduct of the study.

3.2. Background

- 3.2.1. The mechanism for judicial remuneration review ("JRR"), as recommended by the Judicial Committee in its Report on the Appropriate Institutional Structure, Mechanism and Methodology for the Determination of Judicial Remuneration in Hong Kong in 2005 ("2005 Report") and accepted by the Chief Executive-in-Council in May 2008, comprises two components: a regular benchmark study and an annual salary review.
- 3.2.2. In its previous reports, the Judicial Committee took the view that a benchmark study on the levels of earnings of legal practitioners should be conducted on a regular basis, in order to ascertain firstly their earnings levels. The Judicial Committee recommended that the information and data collected in the benchmark study should then be analysed and compared with judicial remuneration in Hong Kong, in order to assess whether judicial pay was kept broadly in line with the movements of legal sector earnings over time. Furthermore, the Judicial Committee considered that the data collected should not be translated into precise figures for determining the levels of judicial salaries. Rather, the pay relativities between selected judicial positions and the corresponding legal sector positions should be systematically recorded to show whether the pay relativities were widening or narrowing over time. The data would facilitate the Judicial Committee in monitoring the private sector pay trends and considering whether adjustments to judicial pay should be made, and if so, how. The Judicial Committee also decided that a benchmark study should in principle be conducted once every five years, with its frequency subject to review.

- 3.2.3. The Judicial Committee completed a pilot study in 2005² and two benchmark studies in 2010 and 2015 with the assistance of a consultant on each occasion. The pilot study in 2005, as well as the two subsequent benchmark studies, consisted of (i) a questionnaire survey on earnings of barristers and solicitors; and (ii) interviews with barristers and solicitors focusing on their perceptions on judicial service and remuneration.
- 3.2.4. As the last benchmark study was conducted in 2015, the Judicial Committee has agreed that the next benchmark study, including a related research of pay practices in the legal/judicial sector in six overseas common law jurisdictions, namely, Australia, Canada, New Zealand, Singapore, the United Kingdom and the United States, should commence in 2020.

3.3. The 2020 Benchmark Study Scope and Objectives

- 3.3.1. The 2020 Benchmark Study comprises three aspects as follows:
 - i. A quantitative study of Hong Kong legal practitioners' salaries: Record and review the pay relativities between selected judicial positions and the corresponding private sector legal positions through a structured questionnaire survey with a view to monitoring the private sector pay trends, including whether the pay relativities are widening or narrowing over time, and considering whether and how adjustments to judicial pay should be made;
 - ii. A qualitative study of Hong Kong legal practitioners' perceptions: Provide insights into the perceptions and attitudes of barristers and solicitors towards roles in the judicial service and corresponding remuneration through interviews; and
 - iii. An overseas study of pay practices in the legal/judicial sector in six common law jurisdictions: Research on the overall context and pay mechanism of judicial roles in six overseas common law jurisdictions, namely, Australia, Canada, New Zealand, Singapore, the United Kingdom and the United States. The findings of this research should serve as an internal reference for the Judicial Committee.

3.4. Summary of Introduction

- 3.4.1. The 2020 Benchmark Study is successfully completed with the support of the Bar Association, the Law Society, individual legal professionals, law firms, public bodies and major corporations.
- 3.4.2. As in previous studies, the 2020 Benchmark Study focuses on assessing whether judicial pay is kept broadly in line with the movements of legal sector earnings. The approach taken in 2020 is similar to previous studies in 2010 and 2015: surveying barristers and solicitors on their earnings via a quantitative questionnaire, and collecting insights and perceptions via a series of interviews with practitioners of the legal profession and legal academics.
- 3.4.3. A new feature of the 2020 Benchmark Study is the inclusion of the Overseas Study.

² The Judicial Committee conducted a pilot study in 2005 to ascertain the feasibility of such benchmark studies.

4. Survey Methodology

4.1. Guiding Principles

- 4.1.1. Willis Towers Watson adopts the same guiding principles as those in the Judicial Committee's previous deliberations in guiding the refinement of the survey methodology, work approach, and survey analyses, as well as making recommendations in relation to remuneration appropriate to the nature of JJOs' roles. The key guiding principles include:
 - Judicial independence is the foundation of the legal system in Hong Kong and enables the court to adjudicate cases with integrity and impartiality. It is pivotal to ensure that judicial remuneration is competitive to attract, retain and motivate high-calibre JJOs, in order to maintain quality rulings, and further reinforce a high quality and independent Judiciary;
 - The nature of judicial work is unique. The responsibilities and working conditions of JJOs
 are distinct from those of legal practitioners in the private and public sectors in multiple
 aspects, rendering any direct comparison difficult; and
 - As part of the mechanism for determining judicial pay, a regular benchmark study is to be conducted every five years, in addition to an annual-based adjustment to remuneration. During the year in which a benchmark study is carried out, the Judicial Committee will take a holistic view on the year-on-year changes in relation to a basket of factors³, in conjunction with the findings of a benchmark study. The findings of a benchmark study should not be translated into precise figures for determining judicial pay. The analytical data or commentary assessment will facilitate the Judicial Committee to monitor pay trends in the private legal sector and consider whether and how adjustments to judicial pay should be made.

4.2. Survey Reference Date

- 4.2.1. The survey reference date is set at 31st March 2020, covering earnings in the tax year of 2019-20 (i.e. from 1st April 2019 to 31st March 2020).
- 4.2.2. Such a time period is in line with previous studies, i.e., adopting the period from 1st April of the previous year to 31st March of the survey year as the survey reference period which ensures a consistent and comparable indication of trends and movements.

4.3. **Definition of Earnings of Legal Practitioners**

- 4.3.1. In order to ensure a consistent approach to allow for comparisons with the outcomes of previous studies (i.e., 2010 and 2015), the same definition of earnings of legal practitioners is adopted, with slight improvements to further boost consistencies in interpreting earnings.
- 4.3.2. For private practice barristers and solicitors operating as sole proprietors or partners of firms, earnings are in practice derived from the net income or profit of operating the proprietorship or partnership, and, for the purposes of the present study, are defined as "the total amounts received from the practice of law, less any expenses incurred directly relative to practising law, excluding any benefit-in-kind, and before taxes". Such earnings may include drawings from the firm, as well as housing or other types of cash allowances the firm pays to the sole proprietors

³ The basket of factors, which has been adopted since 2009, includes (a) the responsibility, working conditions and workload of judges vis-à-vis those of lawyers in private practice; (b) recruitment and retention in the Judiciary; (c) the retirement age and retirement benefits of JJOs; (d) the benefits and allowances enjoyed by JJOs; (e) prohibition against return to private practice in Hong Kong; (f) public sector pay as a reference; (g) private sector pay levels and trends; (h) cost of living adjustments; (i) the general economic situation in Hong Kong; (j) overseas remuneration arrangements; (k) unique features of judicial service – such as the security of tenure, the prestigious status and high esteem of judicial offices; and (l) the budgetary situation of the Government – which is a relevant factor for consideration in adjusting civil service pay.

or partners, contributions made on behalf of the sole proprietors or partners to a retirement scheme and any amounts attributable to the sole proprietors or partners that are retained in the firm. Such earnings may also include sole proprietors or partners in law firms practising law in and outside Hong Kong.

- 4.3.3. For private practice solicitors or other in-house legal practitioners who are employed by law firms, public bodies and major corporations, earnings or remunerations, in this study, include base salaries, fixed allowances paid in cash, guaranteed and flexible bonuses, long-term incentives granted for the year, and contributions to pension/retirement benefits by the employer, excluding any benefit-in-kind, and before taxes.
- 4.3.4. Benefits-in-kind (e.g. coupons, memberships and other non-cash benefits provided by law firms and/or other corporations) are excluded from "earnings" or "remunerations" to prevent any non-measurable and non-comparable components taken into calculation.
- 4.3.5. Some barristers and solicitors can practise law in other common law jurisdictions. The 2015 Benchmark Study asked survey respondents to indicate whether their "primary occupation was in Hong Kong", which could be subject to different interpretations. The 2020 Benchmark Study has therefore set out a more precise understanding of Hong Kong derived earnings by asking survey respondents to indicate their percentage of earnings in and outside Hong Kong in accordance with the following definitions:
 - Earnings for practising law in Hong Kong: barristers representing their clients for all forms
 of legal proceedings (including the provision of advice and opinion) in all courts and
 tribunals in the Hong Kong jurisdiction; partners providing legal advice to their clients with
 contractual liability in Hong Kong; and solicitors under a Hong Kong based employment
 contract. Such earnings are chargeable to Hong Kong profits tax or salaries tax.
 - Earnings for practising law outside Hong Kong: barristers or solicitors admitted on an ad hoc basis for the purpose of conducting specific cases in other jurisdictions (i.e. "ad hoc admission").

4.4. Legal Sector Reference

4.4.1. The legal sector reference represents the range of experience of the majority of the JJO population for each of the judicial ranks and forms the basis for comparison between the judicial pay and the legal sector earnings. Table 1 sets out the legal sector reference for the 2020 Benchmark Study (drawn up on the basis of the current JJOs' profile), vis-à-vis that for the 2015 Study. Chart 1 also provides an illustration of the 2020 mapping of legal practitioners to judicial ranks.

Judicial Rank	Legal Secto	or Reference
	2015	2020
CFI Judge	Senior Counsel with 15 to 24 years of practice	Senior Counsel with 18 to 28 years of practice
District Judge	Junior Counsel with 15 to 24 years of practice	Junior Counsel with 14 to 24 years of practice
District Judge	Solicitors with 15 to 24 years of practice	Solicitors with 14 to 24 years of practice
Magiatrata	Junior Counsel with 5 to 14 years of practice	Junior Counsel with 5 to 15 years of practice
Magistrate	Solicitors with 5 to 14 years of practice	Solicitors with 5 to 15 years of practice

Table 1: Legal Sector Reference in 2015 and 2020

Chart 1: Illustrat	ion	OT L	ega	1.56	ecto	r Re	terei	nce t	or th	e 20	20 E	senc	nma	rk Si	tuay									
Years of Practice (Overall)	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Senior Counsel																CF	'l Ju	dge	(<u>Sen</u>	<u>ior</u> (Coun	sel)		
Junior Counsel/Solicitor										[Distr	ict .	Judge (<u>Junior</u> Counsel/Solicitor)											
Junior Counsel/Solicitor		Ма	gist	trat	e (<u>J</u>	unio	<u>r</u> Co	unse	l/Sol	icito	r)													

4.4.2. As compared to 2015, the 2020 reference is slightly revised. A comparison of the earnings using the 2020 legal sector reference and those adopted in 2015 has been conducted and the difference in the comparison results (+/-5%) is minimal. It is reasonable and safe to proceed on the basis that the 2020 reference is suitable for comparison with previous studies to produce consistent and reliable survey analyses. Detailed analyses are set out in Annex I.

4.5. Questionnaire and Interview Guide

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- 4.5.1. To enhance the analyses, the quantitative questionnaires and qualitative interview guides have been refined (see Annex V and Annex VI).
- 4.5.2. To ensure the accurate processing and objective reporting of the collected data, several criteria to filter or remove invalid or incomplete submissions from the database are applied in data verification and validation stage (see Section 5.1.2), followed by analyses of the data by different segment categories.

4.6. **Target Sample Size and Segmentation of Survey Respondents**

4.6.1. Taking into account the size of the potential talent pool in the legal community as well as the statutory requirements for JJOs in accordance with the relevant ordinances⁴, the following table shows the number of target respondents by category set for the 2020 Hong Kong Quantitative Study.

Judicial Rank	Senior Counsel	Junior Counsel	Solicitor Advocate	Solicitor	In-house Legal Practitioner	Total
CFI Judge	5-25		5-10			10-35
District Judge		50-120		300-500	15-35	365-655
Magistrate		80-150		500-800	15-35	595-985
Total	5-25	130-270	5-10	800-1,300	30-70	970-1,675

Table 2: Segmentation and Target Responses of the 2020 Hong Kong Quantitative Study

- 4.6.2. A total of 970 to 1,675 valid responses from barristers and solicitors in private practice, as well as in-house legal practitioners in public bodies and major corporations, are targeted in the 2020 Benchmark Study, well above the minimum requirement of statistical significance (i.e. approximately at 600 to 700, which is equivalent to a sampling at a confidence level of 95% with a 5% margin of error on total target survey population).
- 4.6.3. Other than the legal categories targeted in the 2020 Hong Kong Quantitative Study (i.e., Senior Counsel, Junior Counsel, Solicitor Advocates, solicitors and in-house legal practitioners), legal academics in Hong Kong are also added as target interviewees for the 2020 Hong Kong

Deferrence for the 2000 Developments Ot

⁴ Barristers and solicitors with at least five years of practice are eligible for appointment as Magistrates (Magistrates Ordinance, Cap. 227) or District Judges (District Court Ordinance, Cap. 336). Barristers and solicitors with at least 10 years of practice are eligible for appointment as CFI Judges (High Court Ordinance, Cap. 4).

Qualitative Study, in order to understand their perceptions towards career opportunities in the Judiciary and to provide overall comments on the desired characteristics of an ideal JJO in Hong Kong.

4.6.4. The following table shows the target number of respondents set for the 2020 Hong Kong Qualitative Study by category. This is not a statistical relevant distribution but more a proportional guide to the solicitation of interviewees by category.

Judicial Rank	Senior Counsel	Junior Counsel	Solicitor Advocate	Solicitor	In-house Legal Practitioner	Legal Academics	Total
CFI Judge	5		7-8				12-13
District Judge		5		10-12	3	3	36-40
Magistrate		5		10-12			30-40
Total	5	10	7-8	20-24	3	3	48-53

Table 3: Segmentation and Target Responses of the 2020 Hong Kong Qualitative Study

4.7. Summary of Survey Methodology

- 4.7.1. The key aspects of the survey methodology of the 2015 Benchmark Study are adopted for this study to ensure comparability of survey findings with those of the previous studies.
- 4.7.2. Three key refinements made to the 2020 Benchmark Study as compared to the approach taken in 2015 include:
 - additional clarification in questions relating to percentage of earnings in and outside Hong Kong;
 - revising the 2020 legal sector reference in accordance with the current JJOs' profile; and
 - refining the quantitative questionnaires and the qualitative interview guides to ensure more accurate and objective reporting of collected data.
- 4.7.3. For the quantitative questionnaires, a target of 970-1,675 valid responses (across the legal community including legal practitioners in private practice and in-house legal practitioners) is set to ensure a statistically robust survey result.
- 4.7.4. For the qualitative interviews, a target of 48-53 interviews (across the different categories of legal professionals including legal practitioners in private practice, in-house legal practitioners and legal academics) is set to build a comprehensive picture of perceptions towards a career in the Judiciary.

5. Survey Execution

5.1. 2020 Hong Kong Quantitative Study

- 5.1.1. **Survey Solicitation and Data Collection**. As with the previous two studies, the Judicial Committee, Bar Association and Law Society all issued appeal letters to the target survey respondents, i.e., barristers and solicitors, to encourage their participation in the survey.
- 5.1.1.1. Data/responses to the questionnaire were collected during the survey period from 1st March 2021 to 12th April 2021, either through paper questionnaires or via Willis Towers Watson's dedicated online survey portal configured for the purpose of the 2020 Benchmark Study.
- 5.1.1.2. The Chairman of the Bar Association appealed for his members' support via the Bar Association Circular. A questionnaire link was sent to individual members electronically and multiple reminders were issued to them. At the same time, paper questionnaires were mailed to individual members.
- 5.1.1.3. The President of the Law Society appealed for her members' support via the Law Society Circular. A questionnaire link was sent to individual members electronically and multiple reminders were issued to them.
- 5.1.1.4. Despite intensive reminders, the survey response in the first three weeks was below target. Willis Towers Watson adopted a number of measures to boost the survey response. These included (i) approaching the law firms currently registered on the Law Society website and appealing for their support to encourage their legal employees to complete the questionnaires; and (ii) approaching individual solicitors to participate in the survey.
- 5.1.1.5. For in-house legal practitioners in public bodies and major corporations, a questionnaire in EXCEL format was emailed to the Chief Human Resources Officer/Head of Human Resources of 50 targeted public bodies and major corporations.
- 5.1.1.6. A total of 1,108 survey responses are collected via the above efforts. Although the overall response in 2020 is slightly lower than that in 2015 (i.e. 1,210), the relevance of the data points received in 2020, in terms of meeting the statutory requirements and matching the legal sector reference, improves significantly. For the former, the percentage of data points meeting the statutory requirements improves considerably from 60% in 2015 to 90% in 2020. For the latter, the percentage of data points matching the legal sector reference⁵ (i.e. the utilisation rate) is at a high level of 84% in 2020. A comparison of the data points received in 2015 and 2020 and their utilisation are illustrated in the following table with further details provided in Table 5, Section 6.1.

Survey Response	2015	2020
Total data points received (a)	1,210	1,108
Data points meeting statutory requirements (b, i.e., respondents with at least 5 years of practice)	731	994
Data points meeting statutory requirements in percentage (b)/(a)	60%	90%
Data points matching the legal sector reference (c)	n.a. ⁽¹⁾	935
Data utilisation rate (c)/(a)	n.a. ⁽¹⁾	84%

Table 4: Response of the 2020 Hong Kong Quantitative Study

⁽¹⁾ Information was not provided in 2015.

⁵ These data points are utilised for deriving the legal sector earnings suitable for comparison with the respective judicial pay.

- 5.1.2. **Data Verification and Validation**. For questionnaires distributed to barristers, solicitors and in-house legal practitioners, the following questions are set as mandatory:
 - age (collected in the form of range);
 - professional status;
 - practice area (applicable to solicitors only);
 - overall years of practice (overall years of practising law in Hong Kong);
 - percentages of earnings derived from the practice of law in and outside Hong Kong;
 - current earnings/remuneration (collected in the form of range);
 - earnings movement comparing to 2014-15 (i.e., 1st April 2014 to 31st March 2015);
 - interests in serving in the Judiciary; and
 - impact of COVID-19 Pandemic on the earnings/remuneration.
- 5.1.2.1. Responses from paper or online questionnaires with completed quantitative questions but incomplete qualitative questions (i.e., without completing "Part IV: Serving in the Judiciary") are treated as valid but are only included in the earning level analyses.
- 5.1.3. Data Analyses and Reporting. As with the 2015 Benchmark Study, data on earnings of barristers and solicitors collected are compiled as two separate sets of data for analyses and presented at the 75th percentile (P75). Data collected from public bodies and major corporations are incorporated in these two sets of data (i.e. one for barristers and the other for solicitors) as appropriate for analyses, subject to the professional status of each respondent. The impact of inclusion of in-house legal practitioners is analysed and presented for reference in Section 6.7.7.
- 5.1.3.1. Additional analyses based on the historical legal sector references adopted in previous studies as well as an observation from the Judiciary are available in Annex I of this report. These additional references are:
 - Senior Counsel with 15 to 24 years of practice, i.e., the legal sector reference for CFI Judge in the 2010 and 2015 Benchmark Studies;
 - Junior Counsel/Solicitors with 15 to 24 years of practice, i.e., the legal sector reference for District Judge in the 2010 and 2015 Benchmark Studies;
 - Junior Counsel/Solicitors with 5 to 14 years of practice, i.e., the legal sector reference for Magistrate in the 2010 and 2015 Benchmark Studies; and
 - Junior Counsel/Solicitors with 5 to 20 years of practice (an observation from the Judiciary).

5.2. **2020 Hong Kong Qualitative Study**

- 5.2.1. **Interview Execution**. Interviews were conducted through one-on-one calls or in-person meetings by Willis Towers Watson senior consultants. The interviewees are, in addition to legal academics, legal practitioners in a wide and representative spectrum of fields and are of different seniorities. The views and opinions so collected from individual interviewees are rather consistent with each other, and collectively, they could be taken as indicative of mainstream views of practising legal practitioners.
- 5.2.2. **Interview Summary**. The key focus of the interviews is to gather perceptions towards judicial service and remuneration with regards to:
 - relativity of earnings between roles;
 - impact of COVID-19 Pandemic on earnings;

- key drivers that make serving in the Judiciary attractive;
- key barriers against joining the Judiciary; and
- potential improvement areas for making a judicial career more attractive to legal professionals, and thus attracting more qualified candidates.
- 5.2.3. A total of 49 interviews (vs. a minimum target of 48) were conducted with barristers, solicitors, in-house legal practitioners and legal academics. Further breakdown of the categories of those interviewed is provided in Section 7 of this report.

5.3. Overseas Study

- 5.3.1. The Judicial Committee has included in this study a related research of pay practices in the legal/judicial sector in six overseas common law jurisdictions, namely, Australia, Canada, New Zealand, Singapore, the United Kingdom and the United States. This aspect of the 2020 Benchmark Study is to better understand any unique features regarding talent attraction and retention mechanisms in the six jurisdictions as an internal reference of the Judicial Committee.
- 5.3.2. For the purpose of generating informative and valuable insights, desktop research of appointment practices, together with structured interviews with overseas legal practitioners, are conducted in each of the six jurisdictions.
- 5.3.3. For the desktop research in each of the six jurisdictions, only resources from official authorities (e.g. government and government-related bodies), legal academics or subject matter experts are treated as proper references.
- 5.3.4. The desktop research covers a wide range of aspects including, but not limited to the following:
 - potential talent pool for JJOs in the jurisdiction (e.g. solicitors, barristers, or both);
 - statutory requirements of appointment of JJOs;
 - the judicial pay mechanism; and
 - factor(s) influencing judicial salary adjustment.
- 5.3.5. A total of six interviews (one in each of the six jurisdictions) were carried out to facilitate us to learn more about features regarding talent attraction and retention mechanisms in the six jurisdictions and to gather general perceptions towards the attractiveness or otherwise of a judicial career and the willingness to join the Judiciary.

5.4. Summary of Survey Execution

- 5.4.1. For the quantitative study, a total of 1,108 survey responses are collected. Although the data points received in 2020 are slightly lower than that in 2015, the relevance of these data points improves significantly.
- 5.4.2. The data on earnings of barristers and solicitors collected are compiled as two separate sets of data for analyses and presented at P75. Data collected from public bodies and major corporations are incorporated in these two sets of data as appropriate for analyses.
- 5.4.3. For the qualitative study, a total of 49 interviews were conducted with barristers, solicitors, inhouse legal practitioners and legal academics. The interview discussions are guided by questions relating to the perceived drivers and barriers to a career in the Judiciary, including but not limited to relativities of earnings.

5.4.4. For the overseas study, desktop research in the six identified common law jurisdictions is conducted on the potential talent pool, the judicial pay mechanism and the factors influencing judicial salary adjustments. In addition, six structured interviews with overseas legal practitioners to gather further information on features regarding talent attraction and retention mechanisms in the six jurisdictions and their general perceptions towards a judicial career were also conducted.

6. Survey Results of the 2020 Hong Kong Quantitative Study

6.1. Survey Response

6.1.1. **Overall Response**. The survey population of the 2020 Benchmark Study is 9,189, covering 1,593⁶ barristers and 7,596⁷ solicitors with practising certificates in private practice. 50 public bodies and major corporations have also been invited to provide a corporate response for their in-house legal practitioners with at least 5 years of practice. The number of responses received, and the associated response rates are illustrated in the following table.

		Barristers			Solicitors	2015	2020	
	2010	2015	2020	2010	2015	2020	Subtotal	Subtotal
1. Individual Responses:		-			-	-	-	
(a) Questionnaire Sent	1,140	1,326	1,593	5,242	6,357	7,596	7,683	9,189
(b) Total Responses Received ⁽¹⁾	395	307	253	1,297	865	752	1,172	1,005
Response Rate (b)/(a)	35%	23%	16%	25%	14%	10%	15%	11%
(c) Responses Meeting Statutory Requirements ⁽²⁾	276	212	221	861	481	670	693	891
Response Rate (c)/(a)	24%	16%	14%	16%	8%	9%	9%	10%
(d) Responses Not Meeting Statutory Requirements	119	95	32	436	384	82	479	114
(e) Responses Matching Legal Sector Reference ⁽³⁾			194			638		832
(f) Responses Not Matching Legal Sector Reference ⁽⁴⁾	119	95	59	436	384	114	479	173
2. Corporate Responses:								
(g) Responses Matching Legal Sector Reference	16	0	0	155	38	103	38	103
(h) Subtotal of Individual and Corporate Responses Received (b)+(g)	411	307	253	1,452	903	855	1,210	1,108
(i) Total Responses Meeting Statutory Requirements ⁽²⁾ (c)+(g)	292	212	221	1,016	519	773	731	994 (36% increase than 2015)
Total Responses Meeting Statutory Requirements in % (i)/(h)	71%	69%	87%	70%	57%	90%	60%	90%
(j) Total Responses Included in the Earning Level Analyses ⁽³⁾ (e)+(g)			194			741		935
Total Responses Included in the Earning Level Analyses in % (j)/(h)			77%			87%		84%

Table 5: Number of Responses Received and Response Rate for the 2020 Hong Kong Quantitative Study

⁽¹⁾ **Total Responses Received** indicates the total number of barristers or solicitors providing valid response, i.e., completing all questions of "Part I: Professional Background", "Part II: Earnings as a Legal Practitioner" and "Part III: Impact of COVID-19 Pandemic" in the survey questionnaire.

⁽²⁾ Responses Meeting Statutory Requirements indicates barristers or solicitors with at least 5 years of practice.

⁽³⁾ **Responses Matching Legal Sector Reference** refers to barristers or solicitors with years of practice fitting in the 2020 legal sector reference range described in Table 1, Section 4.4.

⁽⁴⁾ **Responses Not Matching Legal Sector Reference** refers to: (i) Senior Counsel with more than 28 or less than 18 years of practice; (ii) Junior Counsel with more than 24 or less than 5 years of practice; or (iii) solicitors with more than 24 or less than 5 years of practice.

⁶ Source: Bar List of Hong Kong Bar Association website, <u>https://www.hkba.org/Bar-List/senior-counsel</u>, and <u>https://www.hkba.org/Bar-List/junior-counsel</u>

⁷ Source: The Law Society of Hong Kong Annual Report, 2019. <u>https://www.hklawsoc.org.hk/pub_e/about/report/AR_2019/report_2019.pdf</u>

- 6.1.1.1. There are in total 994 data points (i.e., 221 barristers + 773 individual solicitors and in-house solicitors in row (i) in Table 5) meeting the statutory requirements in the 2020 Benchmark Study, indicating a 36% improvement comparing with 2015 (994 in 2020 vs. 731 in 2015).
- 6.1.1.2. By excluding survey respondents whose years of practice not matching the 2020 legal sector reference (see note (4) of Table 5), a total of 935 data points (row (j) in Table 5) form the 2020 earning level analysis database.
- 6.1.1.3. As illustrated in Section 4.6, the minimum response required for the 2020 Benchmark Study is approximately 600 to 700, equivalent to a sampling at a confidence level of 95% with a 5% margin of error on the total target survey population of 9,189. These 935 data points which form the 2020 earning level analysis database have fully met the target from a statistical significance perspective.
- 6.1.1.4. As described in Section 5.1, it turned out to be very challenging to achieve the target response originally set for the study despite multiple efforts and assistance from all relevant parties. It appears that respondents' interest in participating in the survey has dropped at every survey cycle (row (b) in Table 5). Although they are marginally short of our original target, the 935 data points amount to a sound and valid dataset to develop references for this study.
- 6.1.1.5. 11 out of the 50 targeted public bodies and major corporations provided their corporate responses, providing information on a total of 103 solicitors. The distribution by corporate profile is as follows.

Chart 2: Number of Public Bodies and Major Corporation Reponses by Industry Sector



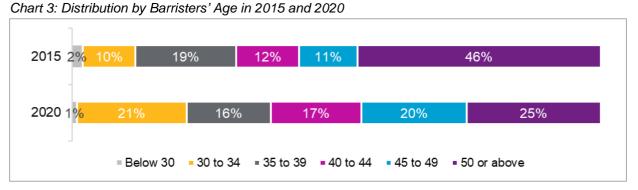
- 6.1.1.6. To ensure comparability with the 2015 results, the demographics of survey respondents meeting the statutory requirements (i.e. at least 5 years of practice, row (i) in Table 5) are analysed, totaling 994 survey respondents. The demographic analytical results are set out in Section 6.2.
 - Additional demographic analyses based on survey respondents matching the 2020 legal sector reference can be found in Annex II, overall results of which are in line with the analyses based on survey respondents meeting statutory requirements in this section.
- 6.1.1.7. Consistent with 2015, only the survey respondents matching the 2020 legal sector reference are included in the earning level analyses in Section 6.3 to 6.7.
- 6.1.1.8. In perception analyses in Section 6.8, all survey respondents who provided their answers, irrespective of their years of practice, are included in the analyses with the following considerations:
 - It is pertinent to obtain overall points of view from the legal community about judicial service and remuneration;
 - Experienced legal practitioners whose years of practice exceed the 2020 legal sector reference could provide insightful perceptions regarding drivers and barriers of serving in the Judiciary; and

• Young legal practitioners with less than 5 years of practice will form the future talent pool as JJOs and thus their views are valuable to the Judiciary.

6.2. Profile of Survey Respondents

6.2.1. Age

6.2.1.1. The following chart provides the distribution of age of barristers that completed the 2020 Hong Kong Quantitative Study. The 2020 respondents' age profile represents a broader and balanced range compared to the 2015 Benchmark Study.



6.2.1.2. As shown in the chart below, the age profile of the solicitor respondents in the 2020 Hong Kong Quantitative Study is also distributed across a broader and balanced age range than in 2015.

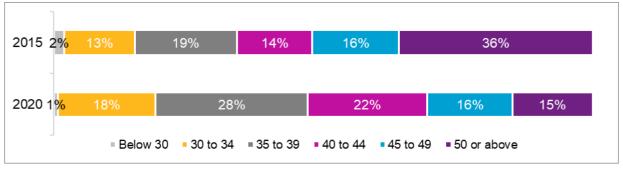
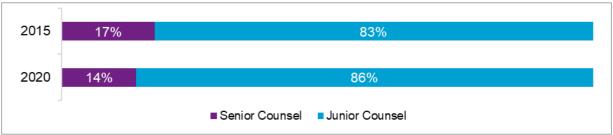


Chart 4: Distribution by Solicitors' Age in 2015 and 2020

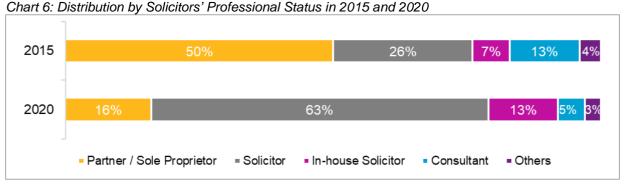
6.2.2. Professional status

6.2.2.1. The mix of the 221 barristers between Senior Counsel and Junior Counsel is presented in the following chart. This is similar to the profile in the 2015 Benchmark Study.

Chart 5: Distribution by Barristers' Professional Status in 2015 and 2020



6.2.2.2. The distribution of the 773 solicitor respondents (including in-house solicitors) across partner/sole proprietor, solicitor, in-house solicitor, consultant, and solicitor trainee, paralegal, or professional support lawyer is shown in the following chart.



- 6.2.2.3. The majority (63%) of the 2020 survey respondents are solicitors, followed by partners/sole proprietors (16%).
- 6.2.2.4. There are also 19 Solicitor Advocate respondents, with professional status of either partner/sole proprietor or solicitor. Due to the smaller survey population and consideration of data confidentiality, a detailed breakdown is not provided.

6.2.3. Years of practice

6.2.3.1. 37% of the barrister respondents hold 5.1 to 10 years of practice as at 31st March 2020, followed by 15.1 to 20 years of practice (18%) and 20.1 to 24 years of practice (17%). As shown in the chart below, barristers with less years of call have submitted their responses in the 2020 study which indicates a more balanced distribution, as compared to 2015.

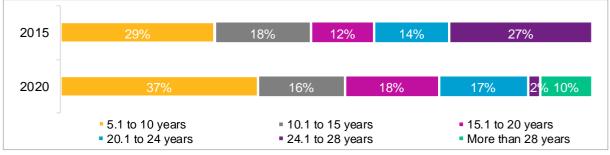


Chart 7: Distribution by Barristers' Years of Practice in 2015 and 2020*

*The 2015 report combined 24.1 to 28 years and more than 28 years.

6.2.3.2. The distribution of barrister respondents' years of practice using the 2020 legal sector reference is set out in the following table.

Table 6: Barristers' Overall Years of Practice by Legal Sector Reference in 2020*

Legal Sector Reference in 2020	P25	P50	P75	AVG
CFI Judge: Senior Counsel with 18 to 28 years of practice	19.3	20.0	22.8	21.2
District Judge: Junior Counsel with 14 to 24 years of practice	16.0	18.5	21.0	18.6
Magistrate: Junior Counsel with 5 to 15 years of practice	6.0	7.0	10.0	8.2

* No such information provided in 2015.

6.2.3.3. The distribution of Senior Counsel's years of call to the Inner Bar is shown in the chart below. 56% of them have less than 10 years of call (31% for 0 to 5 years and 25% for 5.1 to 10 years).

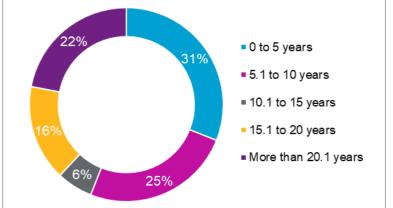


Chart 8: Distribution by Senior Counsel's Years of Call to the Inner Bar in 2020

6.2.3.4. 36% of the solicitor respondents hold 5.1 to 10 years of practice as at 31st March 2020, followed by 10.1 to 15 years of practice (28%) and 15.1 to 20 years of practice (19%). As opposed to 2015, solicitors with less years of practice have chosen to submit their responses in the 2020 study, as shown in the chart below.

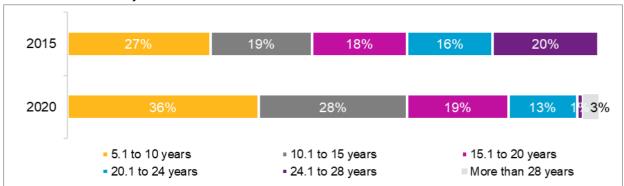


Chart 9: Distribution by Solicitors' Years of Practice in 2015 and 2020*

6.2.3.5. The distribution of solicitor respondents' years of practice using the 2020 legal sector reference is set out in the following table.

Table 7: Solicitors	' Overall	Years of	Practice	by Legal	Sector	Refe	erence in 202	20*

Legal Sector Reference in 2020	P25	P50	P75	AVG
District Judge: Solicitor with 14 to 24 years of practice	16.0	19.0	21.0	18.7
Magistrate: Solicitor with 5 to 15 years of practice	7.0	9.0	11.0	9.1

* Information was not provided in the 2015 report.

6.2.4. Practice area (solicitors only)

6.2.4.1. A new question is added in the 2020 Benchmark Study to collect the practice area of solicitors. As shown in the following chart, 33% of survey respondents indicate their practice area includes Litigation/Dispute Resolution Law, followed by Corporate Law (29%) and Banking and Finance & Capital Market Law (24%). For solicitors that select "Other" as their response, the practice area includes (a) Criminal Law and Civil Celebrant; (b) Family Law; (c) Antitrust/Competition and Trade Law; (d) Wills & Probate; or/and (e) Aviation Law.

^{*}The 2015 report combined distribution of 24.1 to 28 years and more than 28 years.



3%

Chart 10: Distribution by Solicitors' Practice Areas in 2020*

*The total is greater than 100% as solicitors may practise in multiple areas.

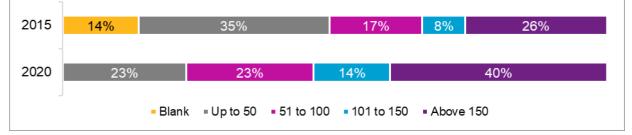
6.2.5. Type of law firm and respective size (solicitors only)

6.2.5.1. A new question is added in the 2020 Benchmark Study to collect the solicitor's firm type, i.e., local firm vs. international firm. 65% of solicitor respondents are hired by international law firms.

Shipping Law

6.2.5.2. Respectively, solicitors from larger law firms constitute a larger share of the 2020 solicitor database as opposed to the survey outcome in 2015.

Chart 11: Distribution by Law Firm Size (Number of Employees Hired) in 2015 and 2020



6.3. Earnings Movements from 2015 to 2020

- 6.3.1. To ensure consistent analyses on earnings, survey respondents matching the 2020 legal sector reference are included in the analyses in section 6.3 to 6.7.
- 6.3.2. 55% of barrister respondents report that their earning levels are moderately (6% to 30%) or significantly higher (more than 30%) than 2015, whereas 55% solicitor respondents report a moderate increase of earnings (6% to 30%) and 25% report a significant increase of earnings (more than 30%). This can be explained by the self-employed nature of barristers with earnings dependent on various factors including case load and complexity, reputation etc. whereas solicitors receive a regular annual salary adjustment plus bonus awards. As a reference, there is in general a 4%-5% per annum salary increase in solicitor base salary provided by law firms according to analyses conducted using the data in Willis Towers Watson 2016 to 2020 Hong Kong Legal Survey database.

Earning Changes Compared to 2015	Barristers	Solicitors
Significantly higher (more than 30%)	29%	25%
Moderately higher (6% to 30%)	26%	55%
About the same (-5% to 5%)	15%	17%
Moderately lower (-6% to -30%)	8%	2%
Significantly lower (more than -30%)	10%	1%
Not applicable *	12%	0%

 Table 8: Barristers and Solicitors' Earning Changes Compared to 2015

* Not applicable denotes respondents who were not licensed to practice 5 years ago.

6.4. Earnings Received in and outside Hong Kong

- 6.4.1. As compared to 2015, new information/data is collected from barrister and solicitor respondents about the proportion of their respective earnings from practising law in Hong Kong and in other jurisdiction(s).
- 6.4.2. 93% of barrister respondents report that all their earnings are generated from practising law in Hong Kong. For those who indicate earnings sourced from other jurisdictions, it accounts for 10% of their total earnings at the median.
- 6.4.3. As to solicitor respondents, 96% indicate that all their total earnings/remunerations are generated from practising law in Hong Kong. For those who indicate earnings sourced from other jurisdictions, it accounts for 20% of their total earnings/remunerations at the median.
- 6.4.4. As the great bulk of reported earnings are generated through practising law in Hong Kong⁸, adjustment to earnings for the purposes of our analyses is not necessary. As a matter of fact, if the level of earnings is one of the factors that a practitioner takes into account in deciding whether and when to apply for joining the Judiciary, the practitioner will likely consider the earnings as a whole, without distinguishing local from overseas earnings. All reported earnings are therefore included in the earning levels analyses.

6.5. Earning Impact Due to COVID-19 Pandemic

- 6.5.1. An additional question is added to both the barrister and solicitor questionnaires (see Annex V of the report) to examine the perceived adverse impact on earning levels in 2019-20 due to the Pandemic.
- 6.5.1.1. 52% of barrister respondents report adverse impacts on their earnings due to the Pandemic, with Junior Counsel experiencing a greater impact compared to Senior Counsel.

Adverse Impact from COVID-19 Pandemic	Barrister (Overall)	Senior Counsel	Junior Counsel
No	48%	71%	47%
Yes	52%	29%	53%

Table 9: Whether 2019-20 Earnings Were Adversely Impacted by the Pandemic – Barrister

⁸ In general, 80% or more of earnings/remuneration generated in Hong Kong are regarded as full earnings in Hong Kong.

6.5.1.2. For barristers who indicate an earning loss in 2019-20, the median estimated earning loss as a percentage of total earnings is 28% to 30%, as shown in the following table.

 Table 10: Estimated Earning Loss % in 2019-20 Due to the Pandemic – Barrister

Legal Sector Reference in 2020	P50 *	AVG *
CFI Judge: Senior Counsel with 18 to 28 years of practice	28%	24%
District Judge: Junior Counsel with 14 to 24 years of practice	30%	30%
Magistrate: Junior Counsel with 5 to 15 years of practice	30%	31%

* Figures are calculated by <u>excluding</u> survey respondents who report no earnings loss; and any statistics expressed in the form of a proportion of respective total (i.e., earning loss as percentage of total earnings) should reference to either market P50 or average figures.

6.5.1.3. The percentage of solicitor respondents who reports a perceived adverse impact on their earnings due to the Pandemic is close to those that report no adverse impact.

Table 11: Whether 2019-20 Earnings Were Adversely Impacted by the Pandemic – Solicitor

Adverse Impact from COVID-19 Pandemic	Solicitor
No	48%
Yes	52%

6.5.1.4. For solicitors who indicate an earning loss in 2019-20, the median estimated earning loss as a percentage of total earnings is 10% to 15%, significantly lower than earnings loss estimated by barristers.

Table 12: Estimated Earning Loss % in 2019-20 Due to the Pandemic – Solicitor

Legal Sector Reference in 2020	P50 *	AVG *
District Judge: Solicitor with 14 to 24 years of practice	15%	16%
Magistrate: Solicitor with 5 to 15 years of practice	10%	12%

* Figures are calculated by <u>excluding</u> survey respondents who report no earnings loss; and any statistics expressed in the form of a proportion of respective total (i.e., earning loss as percentage of total earnings) should reference to either market P50 or average figures.

- 6.5.1.5. The degree of the estimated adverse impact of the Pandemic on 2019-20 earnings is mixed. Earnings are driven by a dynamic market and economic environment based on the nature of their roles, their practice areas, their firms, etc. The perceived earning changes in 2020-21 are further analysed below.
- 6.5.2. A majority of barrister and solicitor respondents report that there is no clear impact (+/-5%) on their 2020-21 earnings due to the COVID-19 Pandemic, as shown in Table 13.

Table 13: Estimated Earning Changes in 2020-21 Due to the Pandemic

Estimated Earning Changes in 2020-21	Barristers	Solicitors
Significantly higher (more than 30%)	4%	0%
Some positive impact (6% to 30%)	8%	6%
No clear impact (-5% to 5%)	54%	71%
Some negative impact (-6% to -30%)	23%	16%
Significantly negative impact (more than -30%)	11%	1%
Not applicable *	0%	6%

* Not applicable indicates no response (i.e., incomplete submissions).

6.6. 2019-20 Earning Level Analyses

- 6.6.1. The 2020 Benchmark Study was conducted at a time when unprecedented social distancing measures were in place (due to the Pandemic), which took a toll on many types of economic activities and the overall earnings in some sectors. When determining how to utilise the collected data in 2020, a number of factors have been considered:
 - as discussed in Section 6.5, barrister and solicitor respondents' perceived adverse impact of the Pandemic on their earning levels varies significantly;
 - there is mixed feedback regarding the adverse impact of the Pandemic on earnings and mixed perceptions on what might be the impact in 2020-21. As the respondents of the 2020 study are generally less experienced than in previous studies, their earnings are more likely to be affected by the external economic environment. Therefore, it is perhaps not surprising that there is a perception that the coming year will continue to bring ongoing challenges;
 - the benchmark study is run every five years in order to assess whether judicial pay is kept broadly in line with the movements of legal sector earnings over time, and therefore the focus should be on the trend versus any actual data at a point in time; and
 - since 2020 was an unprecedented year where earnings of some legal practitioners were adversely impacted by the Pandemic, comparing actual earnings (i.e. without adjustment) with judicial pay may result in a deflated view of legal sector earnings in 2020.
- 6.6.2. Considering these factors, the differential analyses presented in the remainder of this report are based on "adjusted earnings" calculated by adding back the estimated earning loss to the actual earnings reported by each individual respondent. For example, if a respondent reports a 5% earning loss in 2019-20 due to the Pandemic, 5% would be added back to his/her reported earnings to adjust his/her "perceived" income to a more typical year of earnings. The table below shows the earning levels in 2019-20 used in the subsequent analyses.

Judicial Rank	2020 Legal Sector Reference	Adjusted Earning Levels (P75)
CFI Judge	Senior Counsel with 18 to 28 years of practice	15.00
District Judge	Junior Counsel with 14 to 24 years of practice	4.25
District Judge	Solicitor with 14 to 24 years of practice	3.82
Magiatrata	Junior Counsel with 5 to 15 years of practice	2.44
Magistrate	Solicitor with 5 to 15 years of practice	2.01

Table 14: Earning Levels in 2019-20 (in HK\$ million)

6.7. Differential Analyses between Judicial Pay and Legal Sector Earnings

- 6.7.1. Basis of comparison. As in the 2015 Benchmark Study, the consolidated data on earnings of legal practitioners are compared to judicial remuneration at three judicial ranks, i.e. CFI Judge, District Judge and Magistrate. "Total cash remuneration", which includes base salaries, cash bonuses, cash allowances, long-term incentive and retirement contribution between 1st April 2019 and 31st March 2020, and earnings levels at the 75th percentile (P75) are adopted as the basis for comparison in the 2020 Benchmark Study.
- 6.7.1.1. "Judicial pay" is defined as the sum of a base salary and fringe benefits, including housing benefits, retirement benefits, medical benefits, leave passage and education allowances, that are paid over 12 months (the latter component forming an integral part of the remuneration package for JJOs. Similar to previous studies, legal sector earnings are compared with the average annual total cost of judicial pay at the three judicial levels.

6.7.2. The differential between judicial pay and legal sector earnings is presented as a percentage, i.e., judicial pay less legal sector earnings divided by legal sector earnings, expressed as a percentage. A percentage greater than 0% would indicate judicial pay is ahead of legal sector earnings, and vice versa. The 2010 to 2020 earnings differentials are shown in the following table.

Judicial	Average Annual Total Cost		l Total	2020 Legal Sector Reference	20	10*	20	15*	20	20
Rank	2010	2015	2020	(Years of Practice)	P75	Diff.^	P75	Diff.^	P75	Diff.^
CFI Judge	4.34	5.39	7.82	Senior Counsel with 18 to 28 years of practice	7.50	-42%	13.50	-60%	15.00	-48%
District	0.75	0.07	4.50	Junior Counsel with 14 to 24 years of practice	2.50	10%	3.50	-4%	4.25	7%
Judge	2.75	3.37	4.56	Solicitors with 14 to 24 years of practice	2.50	10%	3.50	-4%	3.82	19%
Maniaturata	4.07	2.40	2.04	Junior Counsel with 5 to 15 years of practice	1.75	7%	2.50	-16%	2.44	19%
Magistrate	1.87	2.10	2.91	Solicitors with 5 to 15 years of practice	1.65	13%	1.75	20%	2.01	45%

Table 15: Differential between Judicial Pay and Legal Sector Earnings (in HK\$ million)

* The 2010 and 2015 Benchmark Studies adopted a slightly different set of legal sector references.

^ Diff. denotes differential between judicial pay and legal sector earnings.

6.7.3. **CFI Judge**

6.7.3.1. Referencing pay levels of <u>Senior Counsel with 18 to 28 years of practice</u>, judicial pay for CFI Judge has been consistently below its corresponding legal sector earnings at every survey cycle, i.e. 2010, and 2015 and 2020. During the five-year period from 2015 to 2020, the pay differential narrows from -60% to -48%, partially due to the significant remuneration catch-up in the Judiciary – the reference pay for CFI Judge increases by 45% from 2015 to 2020, while the legal market shows a 11% increase over the same period.

6.7.4. District Judge

- 6.7.4.1. Referencing pay levels of <u>Junior Counsel with 14 to 24 years of practice</u>, judicial pay for District Judge is ahead by 7%, as opposed to the 2015 result showing District Judge's pay to be 4% below. This reflects a notable increase of 35% in judicial pay from 2015 to 2020, while the legal market shows a 21% increase over the same period.
- 6.7.4.2. Referencing pay levels of <u>solicitors with 14 to 24 years of practice</u>, while its corresponding legal sector earnings shows an increase of 9% between 2015 and 2020, the increase (35%) provided to District Judge between 2015 and 2020 reverses the pay gap between this JJO rank and its solicitor counterparts subsisting in 2015. District Judge's pay is 19% ahead of their solicitor counterparts. The findings also show that Junior Counsel generally have higher earnings (with higher volatility) as compared with their solicitor counterparts.

6.7.5. Magistrate

6.7.5.1. Referencing pay levels of <u>Junior Counsel with 5 to 15 years of practice</u>, the differential between judicial pay for Magistrate and its corresponding legal sector earnings has reversed the direction and the differential has widened from -16% in 2015 to 19% in 2020. This reflects the pay increase of 39% provided to Magistrates over the past five years, as opposed to the nearly flat movement of its corresponding Junior Counsel earnings. The lead of judicial pay for Magistrate rank is also reinforced when compared with its corresponding solicitor earnings at solicitor with 5 to 15 years of practice where the pay differential is 45%.

6.7.5.2. The legal sector reference for barristers in terms of years of practice (call) is a critical factor in determining pay differentials. Barristers' earnings increase with years of call, experience, reputation, specialisation, etc. Therefore, the spread of earnings within the barrister community is much more significant than the spread of earnings in the solicitor community where the step change typically occurs at equity partner level (typically 12 or more years of practice). This also explains the difference in earnings between experienced solicitors (District Judge level) and less experienced solicitors (Magistrate level).

6.7.6. **Observations**

- 6.7.6.1. As stated in Section 6.3, legal sector earnings depend on a number of factors including practice area, case load, complexity and reputation. Senior Counsel typically command high rates due to their experience, the complexity of cases they handle and the relatively small pool of talent. The global Pandemic creates further local demand due to reduced opportunities for overseas Senior Counsel equivalents to travel to Hong Kong to represent local clients. Less experienced Junior Counsel and solicitors (especially practitioners who are consolidating their reputation), tend to have more volatile earnings. Less experienced legal practitioners typically have lower earnings in the anticipation of stronger remuneration while they develop their experience and reputation as they grow in their profession.
- 6.7.6.2. It is also important to understand the economic environment at each cycle of the study. The global recession in 2009, the improvement in the Hong Kong economy and correspondingly to the labour market and unemployment rates between 2010 and 2015 are important contexts when reviewing the benchmark trend data versus the remunerations of the JJOs.
- 6.7.6.3. While the Government introduced a series of pay reduction to civil service salaries in 2009 and 2010, such reduction was not applied to JJOs which can explain in part the differential seen in the 2010 Benchmark Study where the judicial pay for District Judge and Magistrate was ahead of their respective legal sector earnings (depressed due to the economic environment at the time).
- 6.7.6.4. The upturn in the economy through to 2015, which improved legal sector earnings generally, can explain the increased gap between the legal sector and the JJO ranks of District Judge and Magistrates. The overall market improvement was impacted by the disruptive events in 2019 and the outbreak of COVID-19 Pandemic in 2020. This has created further volatility in earnings particularly for the less experienced legal practitioners resulting in a reversed or widening position of judicial pay for District Judge and Magistrate levels compared to the respective legal sector reference. For Senior Counsel, although their earnings are less volatile and consistently lead the judicial pay of CFI Judge, the 2020 study shows that the pay gap narrows by a smaller extent.

6.7.7. Impact of excluding in-house legal practitioners on the survey results

6.7.7.1. The number of responses pertaining to in-house solicitors (103) is relatively small. Our analyses indicate that there would be no impact on the survey findings if this group of respondents were to be excluded from the differential analyses. Thus, the differential analyses as shown in Table 15, which include such responses, can be taken as the basis for comparison.

6.7.8. Other considerations

6.7.8.1. The results of the 2020 Benchmark Study, as with the previous two studies, should be interpreted within the natural limitations of such a study. The changes in the differences between judicial pay and the earnings of the legal sector references revealed by the studies could be due to a number of factors, including but not limited to the profile of the population who choose to complete the survey, their interpretation of earnings increase or decrease over the five-year period from 2015 to 2020, and the fundamental difference in how earnings in the private sector and the judicial service are derived. For the private sector, barristers are self-

employed in nature whereas solicitors and in-house practitioners generally receive regular annual increments and bonus payments. Junior practitioners are on a career path with corresponding pay progression whereas for JJO ranks, each position could be considered to be a career itself, remunerated as such and promotion from a lower rank is not the only route to entry. For the Judiciary, judicial pay also includes a range of benefits and allowances such as pension, housing allowances and other fringe benefits. Other non-tangible benefits also come into play. We will deal with this aspect in the following section and in the Qualitative Study.

6.8. Perceptions towards Serving in the Judiciary

6.8.1. In conducting the perception analyses, all valid responses (totaling 1,005 including 253 barristers and 752 solicitors) are included in the statistical analyses, in order to obtain comprehensive views from the legal community.

6.8.2. Barrister's willingness to serve in the Judiciary

6.8.2.1. Among the barrister respondents, 47% indicate a willingness to join the Judiciary with no significant perception difference between Senior Counsel and Junior Counsel. This aligns with the result in 2015 (i.e., 43%).

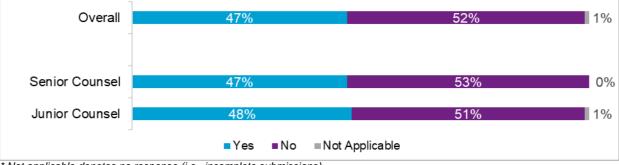


Chart 12: Barristers' Willingness to Serve in the Judiciary (by Professional Status)

* Not applicable denotes no response (i.e., incomplete submissions).

6.8.2.2. Based on the options provided in the survey, these 47% of barrister respondents who indicate a willingness to consider a career in the Judiciary cite "serving the community" as the most prevalent motivator, followed by "contribution to the development of the law through ruling cases" and "job and earnings security". A detailed breakdown is illustrated as follows.

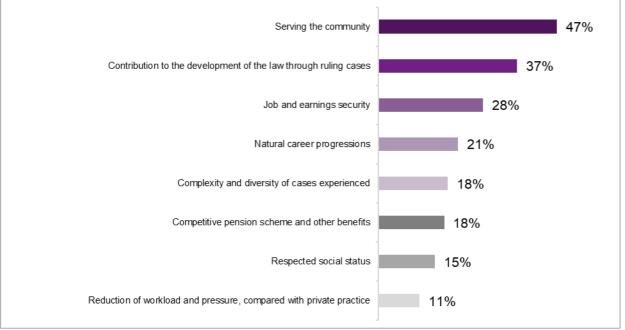
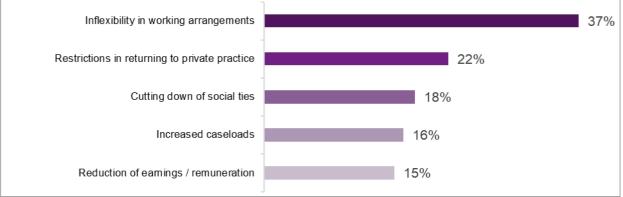


Chart 13: Drivers of Interest in Serving in the Judiciary - Barrister

Note: the total is greater than 100% as respondents might select more than one option.

6.8.2.3. Based on the options provided in the survey, those 53% of barrister respondents who are not interested to join the bench cite "inflexibility in working arrangements" as the most prevalent factor that would make a career in the Judiciary less appealing. This is followed by "restrictions in returning to private practice" and "cutting down of social ties". A detailed breakdown is illustrated as follows.





Note: the total is greater than 100% as respondents might select more than one option.

6.8.3. Solicitor's willingness to serve in the Judiciary

- 6.8.3.1. Among the solicitor (including Solicitor Advocate) respondents, only 7% indicate a willingness to join the Judiciary, notably lower than their barrister counterparts in 2020 and the result in 2015 (i.e., 29%).
- 6.8.3.2. Based on the options provided in the survey, these 7% of solicitor respondents who indicate a willingness to consider a career in the Judiciary cite "serving the community" as the most prevalent motivator, followed by "contribution to the development of the law through ruling cases" and "job and earnings security". A detailed breakdown is illustrated as follows.

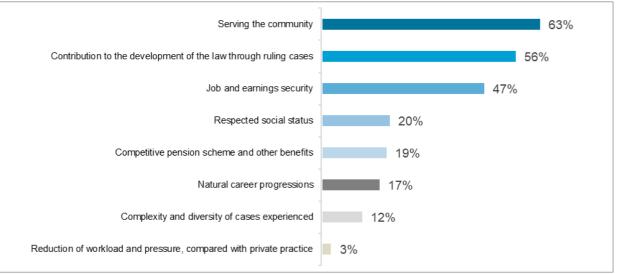
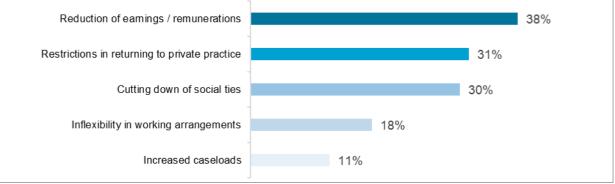


Chart 15: Drivers of Interest in Serving in the Judiciary – Solicitors

Note: the total is greater than 100% as respondents might select more than one option.

6.8.3.3. Based on the options provided in the survey, those 93% of solicitor respondents who are not interested to join the bench cite "reduction of earnings/remunerations" as the most prevalent factor that would make a career in the Judiciary less attractive, followed by "restrictions in returning to private practice" and "cutting down of social ties". A detailed breakdown is illustrated as follows.

Chart 16 Key Barriers against Serving in the Judiciary – Solicitor



Note: the total is greater than 100% as respondents might select more than one option.

6.8.4. Awareness of Higher Rights of Audience ("HRA") and willingness of becoming Solicitor Advocates

- 6.8.4.1. Based on the survey responses, most of the solicitor respondents (55%) are aware of the HRA, but only 12% indicate that they are interested in applying for this certification.
- 6.8.4.2. The primary 3 pull factors that make HRA attractive include (i) opportunity to apply advocacy skills in a higher court; (ii) strengthening personal reputation in the market; and (iii) contribution to the development of the law.
- 6.8.4.3. For the solicitor respondents who report not planning to apply for HRA, the primary 3 push factors include (i) not part of personal career development goals/ambitions; (ii) additional and extensive workload and pressure; and (iii) requirement for oral advocacy/lack of relevant experience.
- 6.8.4.4. There is an additional commentary that a solicitor applying for HRA would in some situations be in competition with barristers who are more experienced in advocacy, and therefore would have fewer opportunities to practise their higher rights in court.

6.9. Summary of the Results of the 2020 Quantitative Study

- 6.9.1. 935 data points matching the 2020 legal sector reference are used as the basis for earning analysis in the 2020 Benchmark Study. While quantitative data collected from respondents that do not match the legal sector reference are excluded from the earning analysis, the information collected in the qualitative questions is included in the perception analysis.
- 6.9.2. In comparison to the 2015 study, the profile of the respondents in the 2020 Benchmark Study:
 - is distributed across a broader age range for both barristers and solicitors;
 - has a similar mix of Junior Counsel and Senior Counsel but overall speaking a higher proportion of respondents with fewer years of call; and
 - has a higher proportion of solicitors versus partners/sole proprietors and a higher proportion with fewer years of experience.
- 6.9.3. The majority of solicitors who respond to the survey are employed in international law firms. A new question relating to the practice area shows that the majority of solicitor respondents' practice area is in litigation or corporate (generalist) law.
- 6.9.4. With respect to earnings movements between 2015 and 2020, 55% of barrister respondents report their earning levels are moderately or significantly higher than 2015, whereas 80% solicitor respondents report a moderate/significant increase of earnings.
- 6.9.5. Also, majority of the earnings reported are generated from practising law in Hong Kong.
- 6.9.6. The estimated adverse impact of the Pandemic on 2019-20 earnings is mixed. COVID-19 is reported to adversely impact 52% of barrister respondents' earnings, with Junior Counsel experiencing a greater impact compared to Senior Counsel. The median estimated earning loss as a percentage of total earnings is 28% to 30%.
- 6.9.7. Similar to barristers, 52% of solicitors respond that they have earning loss due to the Pandemic. For solicitors who indicate an earning loss in 2019-20, the median estimated earning loss as a percentage of total earnings is 10% to 15%, significantly lower than that reported by barristers who report adverse earnings in the same period.
- 6.9.8. Most barristers and solicitors report that there would be no further substantial impact to their future earnings due to the Pandemic.
- 6.9.9. Although 2020 was an unprecedented year, the way in which the economy will respond over the medium term is hard to predict and therefore referencing actual earnings in 2020 to assess this trend may result in a deflated view of legal sector earnings. The analysis presented in this report is therefore based on "adjusted earnings" calculated by adding back the estimated earning loss to the earnings reported by each individual respondent.
- 6.9.10. Analysis of the data shows:
 - The pay differential between CFI Judge and its corresponding legal sector earnings of <u>Senior Counsel with 18 to 28 years of practice</u> has narrowed from -60% in 2015 to -48% in 2020.
 - The pay differential for District Judge has improved vs. its corresponding legal sector earnings of <u>Junior Counsel with 14 to 24 years of practice</u>, with the pay for District Judge being ahead by 7%, as opposed to the 2015 result showing District Judge's pay to be 4% below.
 - The pay differential between Magistrate and its corresponding legal sector earnings of <u>Junior Counsel with 5 to 15 years of practice</u> has reversed, from -16% in 2015 to 19% in 2020.

- For CFI Judge, while the judicial pay is consistently lower than its corresponding legal sector earnings in 2010, 2015 and 2020, the pay lag narrows during the five-year period from 2015 to 2020. For District Judge and Magistrates, different from 2015, the judicial pay is ahead of the respective legal sector earnings.
- Legal sector earnings depend on a number of factors including practice area, case load, complexity and reputation. Junior Counsel and solicitors (vs. Senior Counsel) are more susceptible to the impact of economic cycles.
- 47% of barrister respondents indicate a willingness to consider a career in the Judiciary with no significant difference between Senior Counsel and Junior Counsel. This result aligns with the feedback in 2015.
- The prime motivator to serve in the Judiciary is 'serving the community' and the main detractor is 'inflexibility in working arrangements'.
- There is a significant drop in the number of solicitor respondents in 2020 who express an interest in serving in the Judiciary as compared to that in the 2015 study. A reduction in earnings/remuneration is reported as the main factor influencing that consideration. The majority of solicitor respondents consider that the HRA is not a particularly important certification for career progression.

7. Findings of the 2020 Hong Kong Qualitative Study

7.1. Profile of Interviewees

7.1.1. For the purpose of this study, a total of 49 interviews were conducted. This includes, among others, 17 barristers and 26 solicitors, with 18 years of practice on average. The detailed breakdown is set out in the tables as follows.

Category	Current Professional Status	Number of Interviewee
Dorriotor	Junior Counsel	10
Barrister	Senior Counsel	7
Colicitor	Solicitor	20
Solicitor	Solicitor Advocate	6
In-house Legal Practition	her	3
Legal Academics		3
Total		49

Table 16: Profile of Interviewees by Professional Status

Table 17: Profile of Interviewees by Years of Practice

Current Professional Status*	Average Years of Practice	Years of Practice Range	Number of Interviewee	Total
		0 to 4	2	
Junior Counsel	10	5 to 14	5	10
	12	15 to 24	2	10
		25 or above	1	
Senior Counsel		0 to 4	0	
	24	5 to 14	0	7
	∠4	15 to 24	5	1
		25 or above	2	
		0 to 4	2	
Solicitor	10	5 to 14	8	20
Solicitor	18	15 to 24	3	20
		25 or above	7	
		0 to 4	0	
Solicitor Advocate	00	5 to 14	2	6
	22	15 to 24	1	0
		25 or above	3	

*In-house Legal Practitioner and Legal Academics are excluded in the table.

Table 18: Profile of Interviewees by Legal Sector Reference

Current Professional Status*	Average Years of Practice	Years of Practice Range	Number of Interviewee	Total
Junior Counsel/ Solicitor/Solicitor Advocate	17	0 to 4	4	36
		5 to 15 (Magistrate)	14	
		5 to 15 (Magistrate) or 14 to 24 (District Judge)	2	
		14 to 24 (District Judge)	5	
		25 or above	11	
Senior Counsel	24	0 to 17	2	7
		18 to 28 (CFI Judge)	3	
		29 or above	2	

*In-house Legal Practitioner and Legal Academics are excluded in the table.

7.2. Findings of Barrister and Solicitor Interviews

7.2.1. Trend in earnings

- 7.2.1.1. 80% of solicitors indicate that their earnings in 2019-20 are higher than that in 2014-15. Similarly, 80% of barristers cite equal or higher earnings over the same period.
- 7.2.1.2. When discussing the short-term impact of the COVID-19 Pandemic on 2019-20 earnings, responses are more mixed. Hong Kong remained busy despite court closures during the early part of 2020, and even with delays later in the year. Some interviewees remark that the effects were transient in nature and did not negatively impact earnings. Where there were noted reductions of earnings, the main cause is more related to challenges in getting new clients and delays in corporate transaction work. Roughly 60% of interviewees state there is no material impact on their earnings due to COVID-19 Pandemic. For the remaining 40% who state there is an adverse impact on earnings, the degree ranges from 5% to 10% of their total compensation. As for further impact on future (i.e., 2020-21) earnings, the majority responds that they expect it to be minimal. Detailed interview summary is in Annex III.
- 7.2.1.3. When discussing legal sector earnings compared to that of JJOs, the responses again are mixed. The majority of the Junior Counsel interviewees indicate that successful barristers would earn more than JJOs, though the degree of difference varies year by year depending on bill rates, fixed fee rates, complexity of cases and reputation. There is also a general view that earnings of experienced Junior Counsel (i.e., having more years of practice) is higher even after taking into account the total reward packages of JJOs in both the lower and higher courts.
- 7.2.1.4. The majority of the Senior Counsel interviewees indicate that they believe their earnings to be significantly higher than JJOs or even as much as 2 to 3 times higher. However, there is a view that this gap has narrowed over the past five years. It is acknowledged that the pay differential to some extent reflects the Hong Kong market having only a relatively small pool of Senior Counsel, resulting in much higher earnings.
- 7.2.1.5. Although the barristers interviewed may not know in detail the components of the entire reward packages provided to JJOs at various levels of court, they generally have a better understanding on this aspect as compared with their solicitor counterparts. The majority of solicitors interviewed indicate that they do not have sufficient knowledge to comment on judicial pay. For those who are able to comment, their perception is that solicitor remuneration is generally higher than JJOs, depending on seniority. That said, after it is recognised that job security and other benefits enjoyed by JJOs form part of the entire reward packages, the overall attractiveness of a JJO role is perceived to be comparable to that of a non-partner level solicitor role.
- 7.2.1.6. Other than perceptions of the pay differentials, the increase in media/social media commentary regarding the Judiciary has become a source of concern for potential candidates in considering whether or not to join the Judiciary.
- 7.2.1.7. Junior Counsel interviewees have mixed perceptions regarding the changing socio-economic environment with some indicating that it may create hesitation in considering a potential career in the Judiciary. However, the perceptions among the interviewed Senior Counsel are more aligned with the majority that the current environment (such as negative social media/press scrutiny of judgments) would add some worries about moving to the Judiciary.

7.2.2. Reasons for a barrister pursuing a career in the Judiciary are consistent

- 7.2.2.1. For higher court positions, the predominant driver is not remuneration but one of vocation and an opportunity to fulfil civic duty. For roles in the lower courts, the primary drivers mentioned include the nature of work and the regularity of earnings. The most frequently quoted drivers by Junior Counsel include: (i) serving the community: the ability to make a difference and give back to society; (ii) security of job and earnings: compensation, benefits, pension, housing allowances, and other perks vs. the self-employed nature of barrister earnings; and (iii) a change of workstyle and lifestyle: no financial pressure, regular working hours and a better work-life balance. For Senior Counsel, a move to the bench is highlighted as an opportunity to continue to contribute to the cause of common law when retiring from private practice rather than because of remuneration. However, it is noted that such a move would require careful and pragmatic planning as the earning impact is significant.
- 7.2.2.2. When defining the profile of an ideal candidate, the general view of barrister interviewees is that those who have built a strong reputation, have broad life experiences and are ready for a different pace of life may be the ideal candidates. Timing of such a move is seen to be important in terms of building up the years of service to be eligible for attaining the full retirement provisions offered. A general view is that for some experienced Junior Counsel, joining the bench at the District Court level and building their judicial career through to the higher courts may be a good alternative to taking silk. Some comment that younger Counsel with the right profile may be the good candidates for the lower courts as they believe that the difference in pay for such a move may be smaller.
- 7.2.2.3. As for the critical/pivotal competencies that these individuals should embody, the interviewees identify:
 - integrity;
 - impartiality and fairness;
 - independence;
 - judicial temperament, patience;
 - willingness to listen;
 - experienced in dispute resolution;
 - strength in writing intellectually challenging judgments;
 - efficient/decisive (ability to sift through facts and arguments in an effective way);
 - communication skills; and
 - broad-minded (capable of viewing situation from multiple perspectives).

7.2.3. Reasons for a solicitor pursuing a career in the Judiciary are consistent

- 7.2.3.1. The most frequently mentioned drivers include:
 - serving the community: applying the law and contributing to maintaining the independence of the courts;
 - security of job and earnings: fair and reasonable compensation, benefits, pension, housing allowances, and other perks in terms of job nature and workload;
 - a change of workstyle and lifestyle: no financial pressure to pitch for client cases, regular working hours, more control over personal life, and no office management responsibilities; and
 - intellectual satisfaction: "being on the other side of the table", gaining different perspectives, and opportunities to make decisions on facts and law.

- 7.2.3.2. Views on the profile of the ideal candidate are also consistent:
 - late career with a good/solid reputation in the market;
 - financially secured;
 - experienced in law and process;
 - passionate about contributing to the law;
 - wanting ongoing intellectual challenges; and
 - proficient language skills.
- 7.2.3.3. As for the critical/pivotal competencies that these individuals should embody, the interviewees identify:
 - quick learner (able to grasp the legal issues being presented);
 - judicial temperament in controlling proceedings (patient and courteous);
 - independent and impartial, fair to all parties;
 - open-minded and approachable (but not gregarious);
 - grounded in the community and committed to public service;
 - ability to stay above the "noise";
 - ability to withstand pressure and handle a significant workload;
 - technical knowledgeable (legal depth and breadth of experience); and
 - analytical in nature.

7.2.4. Career choice decisions require clarity on potential/alternative paths and long-term planning

7.2.4.1. A common message among interviewed solicitors and barristers is that one of the primary reasons for few candidates interested in joining the Judiciary is a lack of information/clarity on roles, transparency on progression opportunities in the Judiciary compared to what is available in law firms, particularly the large international firms. When asked to comment on how to improve the attractiveness of such a career move, solicitors and barristers are consistent in their recommendations: (i) increase transparency regarding the criteria and process for JJO appointment; (ii) increase communication and information about the roles and the total reward packages provided to JJOs (to illustrate overall financial terms); (iii) explain opportunities and trade-offs; and (iv) make available the above information to potential candidates at an very early stage in their career so that they can plan accordingly.

7.2.5. Opportunities exist to increase interest of target candidates

7.2.5.1. In addition to the suggestions stated in Section 7.2.4, other suggestions to increase potential candidates' interest include: (i) increasing dialogue about the opportunities with the legal community; (ii) reinforcing the opportunity to work/earn part time for retired judges and potentially increasing the number of deputy judge positions; and (iii) reviewing the pool of Solicitor Advocates to identify any that may have a suitable profile as JJOs.

7.3. Findings of In-house Legal Practitioners Interviews

- 7.3.1. From an in-house legal practitioner perspective, the core competencies seen to be pivotal in serving the Judiciary include (i) desire for joining public services; (ii) experience; (iii) openmindedness; (iv) analyticity and assuredness; and (v) ability to handle criticism.
- 7.3.2. The primary pull factors making a career in the Judiciary attractive include: (i) serving the community which is the most frequently cited; (ii) job security; and (iii) intellectual satisfaction.

- 7.3.3. The primary push factors making a career in the Judiciary less attractive include: (i) loneliness; (ii) potentially reduced remuneration; and (iii) workload in terms of writing judgments independently.
- 7.3.4. The overall recommendations given in respect of widening the talent pool for JJOs include enhanced promotion of and clarity in terms of the hiring process, work nature, environment and career progression opportunities.
- 7.3.5. The views of in-house legal practitioners are broadly in line with the comments from barristers and solicitors.

7.4. Findings of Legal Academics Interviews

- 7.4.1. Of the interviewees who provide responses, the key competencies required as JJOs include:
 - experience, both in terms of legal technicalities and in terms of "life experience";
 - ability to work independently and be unbiased;
 - patience and willing to listen; and
 - understanding of the community that a judge serves.
- 7.4.2. The key drivers that were perceived to make a judicial career attractive include:
 - a change of workstyle and lifestyle, regular working hours, better work-life balance; and
 - social status or recognition.
- 7.4.3. The factors that were thought to make a judicial career less attractive include:
 - reduced remuneration;
 - increased workload; and
 - Ioneliness and cutting down from social ties.
- 7.4.4. There are mixed views as to whether legal academics could be a potential talent pool:
 - yes, but legal academics would need additional training as they would bring limited practical experience to a JJO role; and
 - no, as the focus of legal academics is more theoretical.
- 7.4.5. Views on actions to widen the talent pool for JJO positions include:
 - organising active hiring program for candidates with 10-15 years of experience;
 - increasing specialised areas in courts; and
 - providing more supporting resources, for instance, increased use and availability of technology, more legally qualified assistants to support the judicial work.

7.5. Summary of Qualitative Interviews

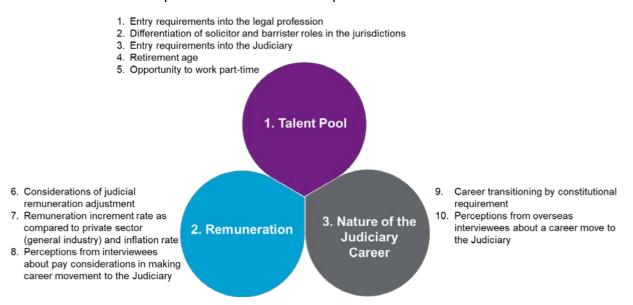
7.5.1. 49 interviews were conducted in person or via the telephone with a cross section from the legal community. The 2020 Hong Kong Qualitative Study shows that the perception of the pros and cons of a career in the Judiciary among legal practitioners are similar to those revealed in the 2015 findings. The findings also reinforce the personal nature of such a choice.

7.5.2. Remuneration or earnings is not a determinative driver but an important factor to be considered primarily in terms of the timing of such a career move. The changing socioeconomic environment makes this career choice one to be thought through even more carefully. A general view is that there is an opportunity for the Judiciary to clarify and explain further the total remuneration arrangements available to JJOs to facilitate medium term planning of those legal practitioners with an interest and of the "right" fit to join the bench.

8. Findings of Overseas Study

8.1. Overseas Judicial Remuneration Framework

- 8.1.1. The Overseas Study is conducted as a source of further reference for the Judicial Committee to understand any similarities and differences in the six identified common law jurisdictions providing additional context to the deliberations regarding judicial pay mechanisms in Hong Kong.
- 8.1.2. The Overseas Study consists of desktop research and selected interviews. The study is divided into three aspects: (i) talent pool; (ii) annual pay adjustment; and (iii) nature of the judicial career. Desktop research and interviewees' view are incorporated in the three aspects mentioned above. A snapshot of the framework is presented below.



8.1.3. The detailed breakdown of constitutional or statutory requirements for each jurisdiction is available in Annex IV of this report.

8.2. Talent Pool

8.2.1. Entry requirements into the legal profession

8.2.1.1. The entry requirements into the legal profession vary between Hong Kong and the six common law jurisdictions. In Hong Kong, the entry expectations for those considering a legal career include a second-class degree, or typically understood as upper second class honours. In other jurisdictions, the majority requires entrants to hold a degree, but the required level of academic achievement is not specified.

8.2.2. Differentiation of solicitor and barrister roles in the jurisdictions

- 8.2.2.1. In the United States, Canada, New Zealand, and Singapore, roles between solicitors and barristers are fused; i.e. they are admitted to the profession with the same status, whereas Australia (depending on states) and the United Kingdom maintain two separate branches of the legal profession comprising barristers and solicitors. As for Hong Kong, the legal profession has been broadly divided into barristers and solicitors, closely following the British tradition.
- 8.2.2.2. In Hong Kong and the United Kingdom where barristers and solicitors practise as either one or the other, a higher proportion chooses to be solicitors, i.e., nearly 80% to 90% of legal practitioners are solicitors.

8.2.3. Entry requirements into the Judiciary

- 8.2.3.1. **Talent pool by constitutional or statutory requirement**. As with Hong Kong, all six overseas jurisdictions surveyed have their own set of constitutional or statutory requirements for their legal practitioners to serve in their respective judiciaries, i.e. both barristers and solicitors form the potential talent pool for appointment as judges.
- 8.2.3.2. **Minimum requirement of years of practice as JJOs.** In Hong Kong, the minimum (statutory) requirements for appointment as JJOs vary according to the levels of the judicial post, i.e., 5-year practice for a lower court judge and 10-year practice for a higher court judge. Singapore, the United Kingdom and the United States also have in place a model with a two-tier system, with Singapore and the United Kingdom setting out a 3-year practice requirement for lower court judge, less than that of Hong Kong. In Australia, Canada and New Zealand with one-tier system as opposed to Hong Kong, the minimum requirement is either 7 or 9-year practice.
- 8.2.4. **Retirement age.** The statutory retirement ages set in Hong Kong and the six overseas jurisdictions surveyed are similar. Higher court judges in Hong Kong may retire at age 70, and judges of lower courts at age 65. For the other six common law jurisdictions, the retirement ages range from 65 to 75. In the United States, judges may even retire at age 90 subject to state's statutory arrangement.
- 8.2.5. **Opportunity to work part-time.** Same as Hong Kong, all six common law jurisdictions allow judges to work part-time. In Hong Kong, part-time judges are known as "Deputy Judges".

8.3. Remuneration

- 8.3.1. **Pay adjustment mechanism for overseas judicial officers.** Judicial pay adjustment mechanisms can be divided into two aspects: (i) recommendations from an advisory body, subject to government's decision and (ii) constitution. As with Hong Kong, annual pay reviews are conducted in each of the six common law jurisdictions examined taking into account a basket of factors including the prevailing states of their economy.
- 8.3.2. For Canada and the United Kingdom, a more comprehensive review on judicial pay is conducted by an independent authority every four to five years, similar to the Hong Kong benchmarking study.
- 8.3.3. Remuneration increment rate as compared to private sector and inflation rate. In the six overseas jurisdictions, judicial annual pay increment rates from 2016 to 2020 are in general aligned with Consumer Price Index (CPI), but below general industry salary increases of the respective countries (data extracted from Willis Towers Watson's Global Salary Budget Planning Reports from 2016 to 2020). Exceptions are Australia and Canada in 2017, where judicial pay increases were significantly above both CPI and general industry salary increases. With very limited information from these two jurisdictions, we are unable to conclude the rationale for such special pay increases. In contrast, Hong Kong judicial pay increment has been above CPI or generally aligned to general industry salary increases in the past five years, except 2020, when a pay freeze has been applied to JJOs.
- 8.3.4. **General pay ranges of legal professionals.** As a general reference, market pay information of legal functions in the five ⁹ overseas jurisdictions sourced by Willis Towers Watson Benchmark Select Compensation Report 2020 is set out in the following tables. The legal function data in these reports reference the total cash remuneration (before tax, excluding pension and benefit in kind) for legal professionals working in a corporate legal department: such as paralegal, legal counsel, legal manager, or top legal executive, who may or may not hold solicitor or barrister' licenses and may or may not meet the requirements of JJO roles in each jurisdiction. With that context, the information is provided as a broad reference rather

⁹ Willis Towers Watson does not run a dedicated compensation survey in New Zealand.

than allowing for any direct comparison between overseas judicial pay with the legal sector earnings.

8.3.4.1. The 2020 total cash remuneration references of legal function indicate pay ranges of P25 to P75, presented in local currency. A set of summaries of judges' pay range (i.e., 2020, national or federal judge) in the form of higher court and lower court for the respective jurisdictions¹⁰ is also provided in the following tables. It is noted that earnings of top legal executives seem to generally lead judges' remuneration in the jurisdictions surveyed. Such general findings also echo our interviews conducted in each jurisdiction, that majority of the interviewees cite that reduction of earnings is a critical factor making consideration of a judicial role less attractive. The perception in each of the jurisdictions is that judges' overall remuneration, even with benefits, is generally low.

8.3.4.2. Australia

Table 19: 2020 Total Cash Remuneration for Overseas Jurisdictions by Levelling – Australia

Legal Professionals	Total Cash Remuneration – Australia (AUD, range of market P25 to P75)
Top Legal Executive	310,000 to 500,000
Legal Director	200,000 to 300,000
Legal Counsel	170,000 to 230,000
Senior Lawyer	130,000 to 160,000
Legal Specialist	80,000 to 120,000

Table 20: 2020 Judicial Pay – Australia

Judges	Judicial Pay Range – Australia (AUD, salaries only)	
Higher Court Judge	468,020 to 551,880	
Lower Court Judge	394,980 to 514,980	

8.3.4.3. Canada

Table 21: 2020 Total Cash Remuneration for Overseas Jurisdictions by Levelling – Canada

Legal Professionals	Total Cash Remuneration – Canada (CAD, range of market P25 to P75)	
Top Legal Executive	290,000 to 570,000	
Legal Director	180,000 to 270,000	
Legal Counsel	130,000 to 180,000	
Senior Lawyer	90,000 to 140,000	
Legal Specialist	80,000 to 110,000	

Table 22: 2020 Judicial Pay - Canada

Judges	Judicial Pay Range – Canada (CAD, salaries only)	
Higher Court Judge	314,100 to 373,900	
Lower Court Judge	314,100 to 344,400	

¹⁰ The judicial pay for judges in the jurisdictions surveyed may also include allowances, benefits and other bonuses.

8.3.4.4. Singapore

Table 23: 2020 Total Cash Remuneration for Overseas Jurisdictions by Levelling - Singapore

Legal Professionals	Total Cash Remuneration – Singapore (SGD, range of market P25 to P75)
Top Legal Executive	390,000 to 590,000
Legal Director	220,000 to 330,000
Legal Counsel	160,000 to 250,000
Senior Lawyer	100,000 to 150,000
Legal Specialist	70,000 to 100,000

Table 24: 2020 Judicial Pay – Singapore

Judges	Judicial Pay Range – Singapore (SGD, pensionable salaries only)	
Higher Court Judge	234,600 to 253,200^	
Lower Court Judge	*	

^ According to the Judges' Remuneration Act.

* Information in the lower court judges not provided.

8.3.4.5. The United Kingdom

Table 25: 2020 Total Cash Remuneration for Overseas Jurisdictions by Levelling - the United Kingdom

Legal Professionals	Total Cash Remuneration – The United Kingdom (GBP, range of market P25 to P75)
Top Legal Executive	170,000 to 250,000
Legal Director	90,000 to 130,000
Legal Counsel	70,000 to 100,000
Senior Lawyer	50,000 to 70,000
Legal Specialist	30,000 to 40,000

Table 26: 2020 Judicial Pay – The United Kingdom

Judges	Judicial Pay Range – The United Kingdom (GBP, salaries only)	
Higher Court Judge	163,585 to 238,868	
Lower Court Judge	91,217 to 154,527	

8.3.4.6. The United States

Table 27: 2020 Total Cash Remuneration for Overseas Jurisdictions by Levelling – the United States

Legal Professionals	Total Cash Remuneration – The United States (USD, range of market P25 to P75)
Top Legal Executive	270,000 to 540,000
Legal Director	170,000 to 220,000
Legal Counsel	140,000 to 200,000
Senior Lawyer	100,000 to 160,000
Legal Specialist	70,000 to 120,000

Table 28: 2020 Judicial Pay - the United States

Judges	Judicial Pay Range – The United States (USD, salaries only)	
Higher Court Judge	229,500 to 265,600	
Lower Court Judge	216,400	

8.4. Nature of the Judicial Career

- 8.4.1. **Career transitioning by constitutional or statutory requirement**. The opportunity for a judge to return to private practice after ceasing to hold judicial office varies by jurisdictions. New Zealand and the United Kingdom do not provide for such an opportunity. In Hong Kong, Magistrates are permitted to return to private practice; whereas Judges at the District Court and High Court levels must give an undertaking not to practice in future as barristers or solicitors in Hong Kong unless the Chief Executive permits. For the Chief Justice and Judges of the Court of Final Appeal, they are prohibited by statute from return to private practice after ceasing to hold judicial office.
- 8.4.2. **Perceptions from overseas interviewees about a career movement to the Judiciary.** Vocational choice is one of the primary factors for joining the Judiciary with wishes to serve the community a critical factor quoted for those who choose to join the bench.

8.5. Summary of Overseas Study and Implications to Hong Kong

- 8.5.1. In terms of constitutional or statutory requirements, retirement age and opportunity to work part-time, it is observed that Hong Kong and the six common law jurisdictions are similar. There are however some elements where Hong Kong is unique from the other six jurisdictions, including (i) Hong Kong has a higher year of practice requirement for judicial roles; and (ii) Hong Kong still maintains two separate branches of the legal profession, i.e. barristers and solicitors practising as either one or the other. It is generally understood that the average entry requirements to study law in Hong Kong are high. Training contracts for solicitors are hard to gain and for those choosing a barrister route, obtaining a paid pupilage position in chambers is also difficult. In combination, the quality and admission standards to train and develop as a legal professional in Hong Kong are high which in turn narrow the pool of available talent to be considered by the Judiciary.
- 8.5.2. Similar to Hong Kong, the six overseas common law jurisdictions take into consideration a basket of factors to determine judicial remuneration adjustments. However, in terms of judicial pay adjustment over a period of time, overseas judicial pay movements are in general aligned with CPI and below the general industry salary increases of the respective countries. This publicly available information together with a general perception of lower remuneration highlights the careful financial considerations that are likely taken by the overseas legal practitioners as part of their decisions to move into the Judiciary.
- 8.5.3. From the overseas interviews, all interviewees agree that serving as a judge is a vocation; considering a judicial role is a decision taken over and above financial considerations. Majority of them cite serving the community as the primary pull factor. However, since some of the overseas jurisdictions provide some flexibility in terms of returning to private practice after a judicial career, the choice is not a final point in a legal career.
- 8.5.4. Overseas interviewees also provide recommendations to boost the interest of legal practitioners in considering a career in the Judiciary, such as holding open seminars to introduce career and remuneration opportunities in the judiciaries.
- 8.5.5. To conclude, it is not uncommon for other jurisdictions to encounter challenges in filling needed JJO positions, given the limited talent pool, generally lower remuneration increments, and perceptions from potential candidates that judicial roles and legal practitioners are two different vocations.
- 8.5.6. The Hong Kong Judiciary could consider strategic and comprehensive approaches to boost the potential talent pool whilst still managing the high quality of adjudication and improve interest levels in a judicial career.

8.5.7. As a new element, the Overseas Study aims to serve as a general reference on the overall context and framework of the six overseas legal/judicial environments.

9. Observations and Recommendations

9.1. Legal Sector Earnings and Judicial Pay

- 9.1.1. When assessing perceived earning changes of barristers and solicitors compared to 2015, nearly half of barrister respondents report their earning levels are moderately or significantly higher than 2015, whereas over two-thirds of solicitor respondents report moderate/significant increase of earnings.
- 9.1.2. Regarding the impact of COVID-19 Pandemic on earnings and potential earnings, the difference in findings between the questionnaires and the interviews are due to the difference in seniority and reputation of those interviewed and their nature of practice; whereas the respondents of the questionnaires are more evenly distributed that broadly represent the legal community. Based on the questionnaire findings, roughly 50% of barrister and solicitor respondents report an adverse impact on their earnings due to the Pandemic, with Junior Counsel experiencing a greater impact compared to Senior Counsel. For barristers who indicate an earning loss in 2019-20, the median estimated earning loss in 2019-20.
- 9.1.3. In order to quantify the actual differential between judicial pay and legal sector earnings, "adjusted" (instead of actual) legal sector earnings is adopted for the 2020 study which is run every 5 years. Referencing actual earnings (vs. adjusted) in 2020 to assess this trend may result in a deflated view of legal sector earnings. Based on the current analysis, it suggests that only the remuneration of the CFI Judge rank falls below its legal sector reference. Due to the steady increase in judicial pay as well as the impact of economic cycles on the legal sector earnings, the 2020 findings suggest that the remuneration of District Judges and Magistrates has surpassed or remains above their legal sector references.
- 9.1.4. When assessing the pay differentials between judicial pay and legal sector earnings, due consideration should be given to the inherent differences between the judicial service and the legal sector in the following aspects:
 - Earning source. Legal practitioners' earnings/remuneration are highly dependent on the overall economic conditions. For barristers and solicitors, earnings/remuneration are either attached to profit generated from providing legal advice or firm and individual performance, which by nature is more volatile and sensitive to overall environment changes and the ups and downs of economic cycles. In contrast, judicial pay is structured and takes into account a basket of factors including the public sector pay and private sector pay levels and trends.
 - Earning elements. Legal practitioners are remunerated in different ways. Most solicitors, who are employees of law firms, receive base salary, cash allowances and variable pay linked to firm and individual performance. There is less fluctuation in their total remuneration as solicitors' annual base salaries form a large proportion of their total remuneration. On the contrary, barristers' earnings are based on taxable profits calculated from their billing rate and their total billable hours. In the current environment, there are by nature more unpredictable earning fluctuations with economic contractions having a significant impact on their financials, especially at the Junior Counsel level, where the individuals have yet to build a solid and steady portfolio. Compared with legal sector earnings, judicial pay is more structured, with a significant portion of benefits (e.g., pension and housing benefits) which is less prevalent in the private sector.

- Annual earning adjustment. For solicitors, annual remuneration adjustments are mostly determined by firm and individual performance, and an overall business outlook forecast for the coming year. For barristers, their profits are more attached to their billing rates, case loads and case profiles, and their personal reputation. As a result, from a trend perspective, the solicitor remuneration changes are by nature more progressed across years, whereas barristers may fluctuate more. In contrast, the judicial remuneration is adjusted based on a basket of factors including the public sector pay and private sector pay levels and trends.
- 9.1.5. **Career stage**. JJO ranks are career positions in their own right with some but not always progression to higher ranks. Conversely, earnings in the legal sector indicate progress along a clear career path with typically lower earnings associated with the experience equivalent to Magistrate and District Judge. The less experienced legal practitioners anticipate that their earnings will accelerate when they progress. Another factor influencing earning distribution includes the flexibility of talent movement. For law firms, it is critical to ensure employees are remunerated in a performance-driven and competitive manner, and their salaries are subject to regular reviews. Therefore, their remuneration deviation is not as significant as that of barristers, whose earnings are more variable; with a direct link to their case load per month/quarter and their personal reputation. As a result, from a trend perspective, the solicitor remuneration changes are by nature more stable over the years, whereas barrister earnings may fluctuate more.
- 9.1.6. The remuneration mechanism of roles in the legal sector is by nature different from that of the judicial pay system, rendering any direct comparison difficult. As stated in the guiding principles of this study (Section 4.1), the data collected shall not be translated into precise figures for determining the levels of judicial salaries. The need for judicial pay adjustment should have regard to a basket of factors, including but not limited to the findings of a benchmark study. The inherent differences in remuneration practices between the judicial service and the legal sector have contributed to the pay differentials between judicial pay and legal sector earnings. Due regard should therefore be given to such inherent differences when interpreting the survey findings.

9.2. Perceptions on Judicial Services and Remuneration

- 9.2.1. The perception and attitude of barrister and solicitor respondents in Hong Kong towards the judicial service and remuneration remains broadly the same as in previous studies.
- 9.2.2. Nearly half of the participating barristers indicate a willingness to join the Judiciary with "serving the community" as the most prevalent driver, followed by "contribution to the development of the law through ruling cases" and "job and earnings security". On the contrary, less than 10% of participating solicitors indicate a willingness to join the Judiciary.
- 9.2.3. For barristers, the biggest factor whilst considering a career move is "inflexibility in working arrangements" followed by "restrictions in returning to private practice", and "cutting down of social ties". For solicitors, "reduction of earnings/remunerations" is cited as the most prevalent factor that would make a career in the Judiciary less attractive, followed by "restrictions in returning to private practice" and "cutting down of social ties".
- 9.2.4. From an aggregate perspective, perceptions and information gathered in Hong Kong indicates that remuneration or earnings is not a determinative driver but an important factor to be considered in terms of the timing of making a career move to the Judiciary. Some participants (especially solicitors) indicate that they do not have a thorough and clear understanding of the JJOs' remuneration packages offered by the Judiciary. This is highlighted by the results of the quantitative/differential analyses that suggests the total remuneration packages (including benefits) would be deemed highly attractive by the "average performing" legal sector practitioners.

- 9.2.5. There is a consistent agreement that more proactive communication regarding the overall packages provided to the judicial roles in the Judiciary, including benefits, would allow potential candidates to better understand the career opportunities and the potential trade-offs, and to conduct proactive financial planning. All of these would potentially make such a career move more appealing.
- 9.2.6. Our Overseas Study also echoes the observations of Hong Kong Quantitative and Qualitative Studies that (i) a judicial role is considered as a unique career choice and multiple considerations have to be taken before making any career transition; and (ii) from remuneration perspective, it is generally perceived that a reduction of earnings is a critical factor making consideration of a judicial role less attractive.

9.3. Profile of an Ideal Candidate

- 9.3.1. The profile of an ideal candidate, including critical competencies, is viewed similarly across Hong Kong and the selected overseas jurisdictions. There are views that not everyone is suited for a role in the Judiciary.
- 9.3.2. It is expressed that the ideal candidate is of a specific personality-type, with motivations, career aspirations, and way of working that differs from that found in a typical private practice environment. This creates an even bigger challenge in Hong Kong because of the relatively small market of potential talent.

9.4. **Recommendations**

- 9.4.1. Adopt a prudent approach in the application of survey findings. The inherent differences between the judicial service and the legal sector and their uniqueness render direct comparison between judicial pay and legal sector earnings difficult. Due regard should therefore be given to such inherent differences when interpreting the survey findings.
- 9.4.2. Adopt a more proactive approach to promote judicial opportunities. The Judiciary should provide legal practitioners with more details about the judicial roles, including the job nature and content, career track, remuneration package, and profile of ideal candidates. Possible actions include: (i) holding regular seminars promoting the career with the Judiciary; and (ii) sharing illustrative career paths with actual examples of individuals in Hong Kong who have made the career move.
- 9.4.3. **Increase the number of deputy judge positions**. Other than relieving the workload in the Judiciary, the creation of more deputy judge positions will enable the practitioners in private practice, who are interested to join the Judiciary, to obtain first-hand experience to work as JJOs, which in turn could facilitate a decision on such a career move.
- 9.4.4. **Improve legal and administrative support**. It is perceived that the judicial office has an old-fashioned working environment and limited legal support. An improvement by increasing the number of legally trained assistants may not only improve productivity but also remove some of the perceived negatives of the workload associated with a judicial role.

9.5. Technical Aspects of Survey Approach for Future Studies

9.5.1. Based on the survey response, it is expected that it will be more and more challenging to obtain data/information and perceptions from legal practitioners, in particular solicitors. This may be influenced by a perception of the relevance of their experience to moving to a JJO position. To ensure reliability and comparability of survey results, consideration may be given for future studies to adopt alternative approaches to collecting legal practitioners' pay information, for instance, working directly with law firms or individuals.

9.5.2. From technical perspective, consideration may be given for future studies to explore whether collecting barristers' practice area (i.e. specialisation) would benefit the interpretation and analyses of the survey findings in future.

Annex I: Additional Earning Analyses

With the changes of the 2020 legal sector reference, 4 sets of additional analytical results are presented in the following table.

In general, there is no material difference in the comparison results (within +/-5%) on the P75 earnings using the 2020 legal sector reference and those adopted in 2015 (i.e. Set (1), Set (2) and Set (3)).

In response to an observation of the Judiciary, an analysis on the P75 earnings using Set (4) shows that the legal sector earnings move up significantly. It is also observed that extending years of practice of Junior Counsel/Solicitors from 5 to 14 years (i.e. the legal sector reference for Magistrate) to 5 to 20 years would result in more data overlapping with the next legal sector reference, i.e., District Judge, which would distort the market reference between the two ranks.

- Set (1): Senior Counsel with 15 to 24 years of practice;
- Set (2): Junior Counsel/Solicitors with 15 to 24 years of practice;
- Set (3): Junior Counsel/Solicitors with 5 to 14 years of practice; and
- Set (4): Junior Counsel/Solicitors with 5 to 20 years of practice.

Set #	Reference	P75	Diff. from 2020 Legal Sector Reference Results
Set (1)	Senior Counsel with 15 to 24 years of practice	15.00	0%
Set (2)	Junior Counsel with 15 to 24 years of practice	4.29	1%
Set (2)	Solicitor with 15 to 24 years of practice	3.93	3%
Set (3)	Junior Counsel with 5 to 14 years of practice	2.31	-5%
Set (3)	Solicitor with 5 to 14 years of practice	2.00	0%
Set (4)	Junior Counsel with 5 to 20 years of practice *	3.00	23%
Set (4)	Solicitor with 5 to 20 years of practice *	2.53	27%

* In response to an observation of the Judiciary.

Annex II: Profiles of Survey Respondents Matching the 2020 Legal Sector Reference

In order to ensure consistent analyses of demographic information and earning levels, profile analyses of survey respondents matching the 2020 legal sector reference are presented in the following tables. Different from the demographic analyses in section 6.2 of this report, the tables below further exclude survey respondents with years of practice exceeding the 2020 legal sector reference, particularly:

- Senior Counsel with more than 28 years of practice;
- Junior Counsel with more than 24 years of practice; and
- solicitors with more than 24 years of practice.

The analytical results as follows are generally in line with the analytical results presented in section 6.2, including (i) a broader and more balanced database is formed in terms of age, professional status and years of practice; and (ii) a higher portion of barrister and solicitor respondents with fewer years of experience has submitted responses.

1. Age

Age	Barristers	Solicitors
Below 30	1%	1%
30 to 34	24%	19%
35 to 39	18%	29%
40 to 44	19%	23%
45 to 49	22%	17%
50 or above	16%	11%
Total	100%	100%

2. Professional status

Professional Status	Barristers
Senior Counsel	7%
Junior Counsel	93%
Total	100%

Professional Status	Solicitors
Partner/Sole Proprietor	15%
Solicitor	64%
In-house	14%
Consultant	4%
Others	3%
Total	100%

3. Years of practice

Years of Practice	Barristers	Solicitors
5.1 to 10 years	42%	37%
10.1 to 15 years	17%	30%
15.1 to 20 years	20%	20%
20.1 to 24 years	19%	13%
24.1 to 28 years	2%	0%
Total	100%	100%

4. Practice area (solicitors only)

Practice Area	%
Litigation/Dispute Resolution Law	32%
Corporate Law (generalists providing all legal advice)	29%
Banking and Finance & Capital Market Law	24%
Commercial Law (Transaction based)	11%
Commercial Real Estate/Property Law	10%
Insurance Law	6%
Employment and Labour Law	6%
Intellectual Property Law	5%
Other	4%
Shipping Law	3%

5. Type of law firm and respective size (solicitors only)

Firm Type	%
Local firm	33%
International firm	67%
Total	100%

Firm Size	%
Up to 50	22%
51 to 100	24%
101 to 105	13%
Above 150	41%
Total	100%

Annex III: Detailed Summary of Hong Kong Interviews

Interview Summary of Solicitors and Solicitor Advocates

Solicitors	Solicitor Advocates	
Q1: Please describe your current professional status (Partner, Solicitor Advocate, Solicitor, or Consultant), practice area, and total years of practice.		
Majority of solicitor interviewees have over 15 years of practice and are currently holding a senior position: partner/managing partner. Most practise commercial or civil law.	Those interviewed have attained Higher Rights of Audience (HRA) for 3-5 years.	
Q2: How would you describe your earnings in Hong Kong in 2019-20 (in the financial year of 1st April 2019 to 31st March 2020) relative to those from 2014-15 (1st April 2014 to 31st March 2015), and what were the driving factors causing those variations, if any?		
For the more junior solicitor interviewees, they have experienced regular annual increment in this period. Most expect a larger increase after 8 years of practice.	No significant difference in earnings between solicitor interviewees with or without HRA. HRA is perceived as a lever to provide an opportunity to	
For solicitor partners interviewed, earnings increase over the 5-year period is due to the profit sharing they are eligible for. Hong Kong as a successful financial centre has generated strong earnings for solicitor firms.	promote and provide full services to clients from a firm's perspective. Actual earnings at an individual level do not vary due to this additional certification.	
Q3: How would you compare the earnings of a solicitor in Hong	g Kong relative to that of JJOs'?	
Overall, the solicitor interviewees' understanding of judicial pay and how it is structured as compared to solicitors' remuneration in private practice, is rather diverse. Some cite that the nature of the law firm, i.e., international vs. local, as a further variable in terms of comparing solicitors' remuneration with that of the JJOs.	As with solicitor interviewees, the views of Solicitor Advocate interviewees vary. Some perceive that judicial pay is fair and reasonable from a workload perspective, while others consider the earnings opportunity to be less than that of a partner level solicitor.	
 Majority of solicitor interviewees indicate that they do not know enough about judicial pay and the different levels of remuneration between lower and higher court roles; 		
 Others perceive solicitors' remuneration to be generally higher than that of JJOs, depending on seniority; and 		
 Some consider that if job security and other benefits are priced in, the overall attractiveness of a JJO role in terms of remuneration would be comparable to a non-partner level solicitor. 		

Q4: Has the COVID-19 Pandemic adversely impacted your earnings in 2019-20? If so, what would you estimate the impact to		
be from a percentage loss perspective?		
Majority of solicitor interviewees indicate that their earnings in 2019-20 have changed when compared with the previous year, but the magnitude and direction of change are mainly related to the field of their practice.	All Solicitor Advocate interviewees indicate COVID-19 Pandemic has not materially impacted their earnings in 2019- 20.	
Hong Kong remained busy despite court closures during the early part of 2020 as there were opportunities for paper/remote hearings. The delays were temporary, if any. Disputes/insolvencies continue with resolution through remote hearings, mediation or financial dispute resolution.		
Where any reduction of earnings in 2019-20 is mentioned, this is explained in relation to new business challenges and some delays in corporate transaction work.		
 Majority of solicitor interviewees indicate COVID-19 Pandemic has not impacted their 2019-20 earnings; and 		
 Others indicate the Pandemic has impacted their 2019-20 earnings as their firms either (a) applied a salary freeze which results in about 5% base pay loss in 2020; or (b) cut bonuses which results in about 5% to 10% total earnings loss. 		
Q5 - Do you expect the pandemic to impact your 2020-21 earn	ings, and if as, how much in comparison to 2010, 202	
	ings, and it so, now much, in comparison to 2019-20?	
Majority of solicitor interviewees do not anticipate the Pandemic to impact their 2020-21 earnings.	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings.	
Majority of solicitor interviewees do not anticipate the	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings.	
Majority of solicitor interviewees do not anticipate the Pandemic to impact their 2020-21 earnings. Q6: What competencies (technical and/or behavioral) or chara	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings.	
Majority of solicitor interviewees do not anticipate the Pandemic to impact their 2020-21 earnings. Q6: What competencies (technical and/or behavioral) or chara Hong Kong? How have these changed over the recent years? The most frequently quoted competencies (ordered by the	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings. Exteristics do you think are pivotal in serving in the Judiciary in No significant difference in views between Solicitor Advocate	
 Majority of solicitor interviewees do not anticipate the Pandemic to impact their 2020-21 earnings. Q6: What competencies (technical and/or behavioral) or chara Hong Kong? How have these changed over the recent years? The most frequently quoted competencies (ordered by the frequency from high to low) by solicitor interviewees include: (1) technically knowledgeable (legal depth and breadth of experience), analytical, and the ability to quickly grasp 	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings. cteristics do you think are pivotal in serving in the Judiciary in No significant difference in views between Solicitor Advocate interviewees and solicitor interviewees. The Solicitor Advocate interviewees also quote proficiency in the application of modern technologies as an additional	
 Majority of solicitor interviewees do not anticipate the Pandemic to impact their 2020-21 earnings. Q6: What competencies (technical and/or behavioral) or charal Hong Kong? How have these changed over the recent years? The most frequently quoted competencies (ordered by the frequency from high to low) by solicitor interviewees include: (1) technically knowledgeable (legal depth and breadth of experience), analytical, and the ability to quickly grasp the legal issues being presented; (2) judicial temperament, independent and impartial, patient and willingness to listen, articulate, hard-working, 	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings. cteristics do you think are pivotal in serving in the Judiciary in No significant difference in views between Solicitor Advocate interviewees and solicitor interviewees. The Solicitor Advocate interviewees also quote proficiency in the application of modern technologies as an additional	
 Majority of solicitor interviewees do not anticipate the Pandemic to impact their 2020-21 earnings. Q6: What competencies (technical and/or behavioral) or charat Hong Kong? How have these changed over the recent years? The most frequently quoted competencies (ordered by the frequency from high to low) by solicitor interviewees include: (1) technically knowledgeable (legal depth and breadth of experience), analytical, and the ability to quickly grasp the legal issues being presented; (2) judicial temperament, independent and impartial, patient and willingness to listen, articulate, hard-working, proactive, and pragmatic when giving judgments; 	All Solicitor Advocate interviewees do not anticipate the COVID-19 Pandemic to impact their 2020-21 earnings. cteristics do you think are pivotal in serving in the Judiciary in No significant difference in views between Solicitor Advocate interviewees and solicitor interviewees. The Solicitor Advocate interviewees also quote proficiency in the application of modern technologies as an additional	
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e.g. ben	Q7: What are the primary drivers that make serving in the Judiciary attractive and how have those changed over the years, e.g., contribution to the development of the law, job security, natural career progressions, competitive pension scheme/other benefits, no commercial performance targets, reduction of workload and pressure compared with private practice, respected social status, serving the community?		
	most frequently quoted drivers (ordered by the frequency high to low) by solicitor interviewees include:	In addition to the drivers highlighted by solicitor interviewees, Solicitor Advocate interviewees cite:	
(3)	serving and "giving back" the community built on their private practice experience; applying the law and contributing to maintaining the independence of the courts; motivations to take on a judicial role are more than about the remuneration offered. It is a vocational choice. The combination of the nature of work, the total remuneration (including benefits) offered and job security, is attractive. a change of workstyle and lifestyle. No new business pressure, regular working hours, more control over personal life, no office management responsibilities allowing a pure focus on the law; and intellectual satisfaction. "Being on the other side of the table", gaining different perspectives, and opportunities	 listening and assessing arguments vs. advocacy for one side; respected and prestigious social status; and independent working. 	
e.g.	to make decisions on facts and law.		
fron	most frequently quoted factors (ordered by the frequency high to low) by solicitor interviewees that make a career be Judiciary less attractive include:	No significant differences in views between Solicitor Advocate interviewees and solicitor interviewees.	
(1)	loneliness, slightly cloistered life; working on ones' own with limited support;		
(2)	lack of flexibility of working hours;		
(3)	workload. Long working hours, with no control over the allocation of cases and limited time to prepare detailed judgments;		
(4)	restrictions in returning to private practice making the timing of any such career move a very critical financial decision;		
(5)	potential public criticism and scrutiny and increasing questioning of personal integrity and independence;		
(6)	lack of opportunity to grow remuneration significantly;		
(7)	lack of clarity on criteria for selection and progression between the courts; and		
(8)	lower motivation with no new business aspect of the role.		

Q9: Why do you think there are fewer candidates interested in	entering the Judiciary in Hong Kong?
In addition to the factors quoted in Question 8 above, other factors (ordered by the frequency from high to low) by solicitor interviewees include:	No significant differences in views between Solicitor Advocate interviewees and solicitor interviewees.
 the traditional view of "giving back, and independence/ above the fray" is becoming less attractive due to the changing socio-economic environment; 	
(2) private practice work is challenging and rewarding. Hong Kong as a financial centre with complex cases and associated challenge(s), make staying in private practice attractive;	
(3) lack of information/clarity on roles, less transparency on progression and opportunities in the Judiciary compared to a law firm, in particular large international firms that offer training, clear progression etc.; and	
(4) working environment.	
Q10: Do you think granting more solicitors with Higher Rights o "Solicitor Advocate") will improve the interests in serving in the	
For solicitor interviewees who answer "No": having HRA is about providing more services to clients. It is irrelevant to a decision whether or not to join the bench.	Most Solicitor Advocate interviewees do not believe granting more HRA would enlarge the candidate pool of the Judiciary, as representing clients is solicitors' primary responsibility.
For solicitor interviewees who answer "Yes": having HRA gives more exposure to court processes which in turn could enhance interest in joining the Judiciary.	
Taking up roles as Deputy Judges, Recorders or Masters are considered more relevant for boosting interests in serving in the Judiciary.	
Q11: In your understanding, whether the prevailing conditions i practitioners' willingness in joining the bench?	n the community from 2019 to 2020 have affected the legal
Perceptions are mixed. Some solicitor interviewees cite the increase in media/social media commentary on judgments coupled with a risk of any negative perception regarding the loss of judicial independence are the possible challenges to attract future candidates to the bench. Together with a reduction in earnings, a move to the Judiciary could be considered less attractive. Others believe that decisions to join the bench are made on the basis of the commitment to the practice of law, personal motivations and steady earnings. The current social climate is not going to change these motivations.	No significant differences in views between Solicitor Advocate interviewees and solicitor interviewees.
Q12: How would you define the profile of the person that should	d be "targeted" for this career transition?
Recommendations by solicitor interviewees include:	Additional recommendations from Solicitor Advocate interviewees include:
 successful practitioners who have a strong legal reputation and are financially secured (age around 40s to 50s); 	 (1) legal practitioners who are closer to retirement and wish to pursue a different lifestyle; and
(2) passionate about contributing to the law;	(2) senior solicitors who are not equity partners as they may
(3) desire for ongoing intellectual challenges; and	prefer a different career choice.
(4) language proficiency.	

Q13: How could this career move be made more attractive, and	d thus attract more qualified candidates?	
 Recommendations by solicitor interviewees include: (1) modernise the way the job is performed; increase the use and availability of technology, and to add more legally qualified assistants to support the judicial work; (2) initiate a more open recruitment process; (3) introduce more seminars or workshops to enhance solicitors' understanding of the roles, opportunities and potential career paths in the Judiciary; and (4) open up or create more part-time positions for solicitors or pro-bono roles as part of solicitor training contracts. 	Some Solicitor Advocate interviewees suggest that legal academics could be considered to serve on the bench for certain specialised cases.	
Q14: Do you believe this "issue" (i.e. fewer interests in serving other similar jurisdictions are facing this same issue?	in the Judiciary) is unique to Hong Kong or do you believe	
There is a low level of awareness that there are insufficient numbers of qualified candidates applying for judicial posts. Assumption is that Hong Kong is particularly challenging due to a smaller talent pool of potential candidates since private practice is very lucrative.	Challenges of attracting legal professionals to the bench, such as loneliness, lack of flexibility and workload (see Question 8 above), are not felt to be unique in Hong Kong. A concern about whether Hong Kong will continue to be an international centre for dispute resolution providing the range of experiences to legal professionals in preparation for a role on the bench is also raised.	
Q15: Are you interested in serving as Magistrates/judges, in particular at level of Judges of the Court of First Instance of the High Court ("CFI Judges"), any condition you would place on to serve as one? How much of a reduction in earnings/remuneration would you be willing to accept a full-time appointment on the bench?		
Majority of solicitor interviewees do not express an interest in joining the bench; primarily due to their lack of understanding of opportunities for senior solicitors to go direct to High Court roles as well as financial considerations. For those who express interest in a potential move in the future, they weigh work-life balance, stable income and "giving back" to the community as important factors.	No significant difference in views between Solicitor Advocate interviewees and solicitor interviewees. Some additional perspectives include providing further clarification of career progression trajectory and whether there is any real opportunity for a solicitor (even without bar experience) to be appointed as a Judge of the Court of Final Appeal.	
Q16 - If you were considering applying for a JJO position, what would be the ideal time in your career/life-stage to make such a change?		
 Views of solicitor interviewees include: (1) late 40s/50s as a silk or senior litigator when sufficient experience has been attained but still have years to contribute to the bench; and (2) those who are financially secured and the change in remuneration in relation to such a career move would become less of an issue. 	No significant differences in views between Solicitor Advocate interviewees and solicitor interviewees.	

Interview Summary of Junior Counsel and Senior Counsel

Junior Counsel	Senior Counsel	
Q1 - Please describe your current professional status (Senior Counsel, Junior Counsel), and how long you have been called to the Bar.		
Majority of Junior Counsel interviewees have over 10 years of call with most of them practising in commercial and civil litigation. A few have experience in roles such as Recorder, Marshall and Deputy Judge.	All Senior Counsel interviewees have over 15 years of call, with the majority over 20 years of call. Half of the interviewees have experience as a Deputy High Court Judge, or other significant positions in the legal community (committees etc.).	
Q2 - How would you describe your earnings in Hong Kong in 20 2020) relative to those from 2014-15 (1st April 2014 to 31st Ma variations, if any?		
As counsels are mostly self-employed, it is noted that their earnings vary year to year. All confirm that their earnings have increased over the last 5 years due to a combination of increasing experience and reputation, leading to higher billing rates.	No significant differences in views between Junior Counsel interviewees and Senior Counsel interviewees.	
Q3 - How would you compare the earnings of a barrister in Hor	ng Kong relative to that of JJOs'?	
Majority of Junior Counsel interviewees perceive that successful barristers earn more than JJOs. Majority are not fully aware of the remuneration (including benefits) offered to JJOs. For those that have some understanding of judicial pay, the view is that experienced Junior Counsel earn higher than Magistrates and District Judges.	Majority of Senior Counsel interviewees indicate that the earnings of experienced barristers are significantly higher than JJOs; potentially 2 to 3 times higher. Senior Counsel handle more complex case work, charge higher fees and also due to the relatively small pool of Senior Counsel, they are very busy and have higher earnings. There is also an observation of Senior Counsel interviewees that the pay gap between Senior Counsel and CFI Judge has narrowed slightly over the past 5 years.	
Q4 - Has the COVID-19 Pandemic adversely impacted your ea from January to March of 2020? If so, what would you estimate		
Majority of Junior Counsel interviewees indicate that the COVID-19 Pandemic has not impacted their earnings in 2019-20 and that their earnings are generally similar or higher. Due to the nature of practice of the majority interviewed, temporary court closures have no impact on their ability to continue working for clients (e.g. verbal hearings moved to written submissions or remote hearings) in the said period. Due to the travel restrictions throughout 2020, overseas Senior Counsel equivalents were not able to represent clients in Hong Kong. This leads to more work for locally based counsel. It is acknowledged that the earning impacts due to the Pandemic would be different for criminal barristers and for barristers handling cases in the lower courts. For instance, interviewees working in criminal practice cite that the temporary court closures have an impact on their fee earnings.	No significant differences in views between Junior Counsel interviewees and Senior Counsel interviewees.	

d	ority of Junior Counsel interviewees do not anticipate a	None of the Senior Counsel interviewees anticipates that the
uro	o in earnings in 2020-21.	COVID-19 Pandemic will impact their 2020-21 earnings.
	- What competencies (technical and/or behavioral) or chara g Kong? How have these changed over the recent years?	acteristics do you think are pivotal in serving in the Judiciary in
frec incl	most frequently quoted competencies (ordered by the uency from high to low) by Junior Counsel interviewees ude:	In addition to the competencies highlighted by Junior Counse interviewees, critical competencies (ordered by the frequenc from high to low) quoted by Senior Counsel interviewees include:
(1)	judicial temperament. Independent, impartial, patience, willingness to listen;	(1) publicly spirited; and
(2)	knowledgeable of the different court processes;	(2) strength in writing intellectually challenging judgments.
(3)	ability to write well and sift through facts and arguments in an effective way;	
(4)	being a good communicator;	
(5)	technically knowledgeable (a combination of both depth of legal knowledge and breadth of experience);	
(6)	analytical, able to quickly grasp the legal issues being presented. For those working in the higher courts, it refers to ability to effectively deal with cases of greater complexity, constitutional or public law issues; and	
(7)	ability to work efficiently with effective use of assistants.	
cap	er competencies quoted include: (1) broad-minded: able of viewing situation from multiple perspectives; (2) dworking; and (3) decisive and ability to stay independent.	
e.g. ben		iciary attractive and how have those changed over the years, atural career progression, competitive pension scheme/other rivate practice), respected social status, serving the
e.g. ben com The part opp	, contribution to the development of the law, job security, na efits, reduction of workload and pressure (compared with p imunity? main driver cited for taking up a role in the Judiciary, icularly in the higher courts is that this provides an ortunity to "give back", to fulfill one's civic duty.	atural career progression, competitive pension scheme/other rivate practice), respected social status, serving the Consistent with the views of Junior Counsel interviewees, a move to the bench from a Senior Counsel position is not taken because of remuneration opportunities, but an opportunity of continuing to contribute to the cause of
e.g. ben con The part opp All mov rem role less	, contribution to the development of the law, job security, na efits, reduction of workload and pressure (compared with p munity? main driver cited for taking up a role in the Judiciary, icularly in the higher courts is that this provides an	Atural career progression, competitive pension scheme/other rivate practice), respected social status, serving the Consistent with the views of Junior Counsel interviewees, a move to the bench from a Senior Counsel position is not taken because of remuneration opportunities, but an opportunity of continuing to contribute to the cause of common law when retiring from private practice. It is reinforced that such a career move requires careful
e.g. ben con The part opp All , mov rem role less regi In s	, contribution to the development of the law, job security, na efits, reduction of workload and pressure (compared with p imunity? main driver cited for taking up a role in the Judiciary, icularly in the higher courts is that this provides an ortunity to "give back", to fulfill one's civic duty. Junior Counsel interviewees reinforce that the decision to ve to a role on the bench is not due to the total uneration on offer. For Magistrate and District Judge s, which would typically be filled by Junior Counsel with years of call and a less established practice, the	Atural career progression, competitive pension scheme/other rivate practice), respected social status, serving the Consistent with the views of Junior Counsel interviewees, a move to the bench from a Senior Counsel position is not taken because of remuneration opportunities, but an opportunity of continuing to contribute to the cause of common law when retiring from private practice. It is reinforced that such a career move requires careful consideration and pragmatic planning as the earning impact
e.g. ben con The part opp All v rem role less regi In s freq incl	, contribution to the development of the law, job security, ne efits, reduction of workload and pressure (compared with p imunity? main driver cited for taking up a role in the Judiciary, icularly in the higher courts is that this provides an ortunity to "give back", to fulfill one's civic duty. Junior Counsel interviewees reinforce that the decision to ve to a role on the bench is not due to the total uneration on offer. For Magistrate and District Judge s, which would typically be filled by Junior Counsel with years of call and a less established practice, the ularity of work and earnings may be a pull factor. ummary, the most frequently cited drivers (ordered by the uency from high to low) by Junior Counsel interviewees	Atural career progression, competitive pension scheme/other rivate practice), respected social status, serving the Consistent with the views of Junior Counsel interviewees, a move to the bench from a Senior Counsel position is not taken because of remuneration opportunities, but an opportunity of continuing to contribute to the cause of common law when retiring from private practice. It is reinforced that such a career move requires careful consideration and pragmatic planning as the earning impact
e.g. ben con The part opp All & mov rem role less regu In s freq incli (1)	, contribution to the development of the law, job security, ne efits, reduction of workload and pressure (compared with p imunity? main driver cited for taking up a role in the Judiciary, icularly in the higher courts is that this provides an ortunity to "give back", to fulfill one's civic duty. Junior Counsel interviewees reinforce that the decision to <i>ve</i> to a role on the bench is not due to the total uneration on offer. For Magistrate and District Judge s, which would typically be filled by Junior Counsel with y years of call and a less established practice, the ularity of work and earnings may be a pull factor. ummary, the most frequently cited drivers (ordered by the uency from high to low) by Junior Counsel interviewees ude:	Atural career progression, competitive pension scheme/other rivate practice), respected social status, serving the Consistent with the views of Junior Counsel interviewees, a move to the bench from a Senior Counsel position is not taken because of remuneration opportunities, but an opportunity of continuing to contribute to the cause of common law when retiring from private practice. It is reinforced that such a career move requires careful consideration and pragmatic planning as the earning impact

Q8 - What are the primary factors that make serving in the Jud	iciary less attractive and have those changed over the years?				
The most frequently cited factors (ordered by the frequency from high to low) by Junior Counsel interviewees include:	Senior Counsel interviewees' views echo those of Junior Counsel interviewees in terms of points 1, 2, and 3.				
 Ioneliness and the expectation that one needs to reduce social ties; 	Reduction in earnings is a known factor and the move to the Judiciary can only be seriously considered when one is financially independent.				
(2) limited support and interaction with fellow professionals;	The provision of pension is a critical component of making a				
(3) lack of flexibility of work schedule;(4) higher amount of workload, long working hours with	move to the bench affordable and should be explained more clearly.				
 (4) higher amount of workload, long working hours with limited option to control the number or the type of cases; and 	The changing socio-economic environment has impacted the perceived social standing of the Judiciary, which leads to an				
(5) limited administrative/legally trained assistants to support the judicial work.	additional pause by those considering such a move.				
The lack of clarity in judicial pay on offer for different JJOs makes the trade-off in moving from private practice to a role on the bench less attractive.					
Q9 - Why do you think there are fewer candidates interested in	entering the Judiciary in Hong Kong?				
 In addition to the factors cited in Question 8 above, other frequently quoted factors (ordered by the frequency from high to low) by Junior Counsel interviewees include: (1) lack of information on criteria for selection; (2) current socio-economic environment; increasing level of public criticism and broader uncertainty; (3) limitations for social interactions is highlighted as a particular issue in Hong Kong as it is a relatively small city and many would miss their social ties within the community; and (4) working environment, i.e., limited administrative/legal support. 	In addition to the feedback for Question 8 above and the				
Q10 - In your understanding, whether the prevailing conditions practitioners' willingness in joining the bench?	in the community from 2019 to 2020 have affected the legal				
Overall, there is strong faith in the Judiciary and a move to a JJO role is more about personal motivations.	Longer term concerns are expressed by most of the Senior Counsel interviewees, including:				
There are some commentaries of Junior Counsel interviewees on the increasing amount of public scrutiny that anyone who is considering a role on the bench has to be prepared to rise above media/social commentary.	 (1) the ongoing uncertainty and increasing social commentary on judgments may challenge the oft-quot pull factor "serving the community"; and (2) a circular challenge. The quality of the bench will attra quality bar; a quality bar is what generates a quality bench which in turn maintains the community's confidence in the Judiciary as a bastion of the law. 				

	uently quoted recommendations (ordered by the	Additional feedback from Senior Counsel interviewees
	uency from high to low) from Junior Counsel interviewees ide:	include:
(1)	increase transparency regarding the selection criteria	 (1) focus on maintaining trust in the Judiciary; (2) complete an extension of a startic true do offer to the
	and process for appointment;	(2) explain opportunities and potential trade-offs to the potential candidates so that they can plan in advance;
(2)	increase information about vacancies, the progression opportunities and the total remuneration package on offer;	 (3) increase understanding of progression opportunities for those in the lower courts; and
(3)	broaden the interest of the potential talent pool. For example, appeal to Junior Counsel with over 10 years of	(4) increase structured training available to JJOs at different levels of court.
	call about how they could build a judicial career progressing from the lower courts to the higher courts, and explain to them the opportunities in taking up temporary judicial roles such as deputy judge, recorder or master in the courts;	It is also noted that the system whereby non-permanent judges can hear Hong Kong cases in the Court of Final Appeal is a positive way of reinforcing the independence of the Judiciary which in turn will contribute to attracting quality barristers to join the bench.
(4)	consider exploring the feasibility of reviewing the requirement that prohibits judges from returning to private practice after ceasing to hold judicial office;	
(5)	increase the number of specialist judges (e.g. Shipping, Intellectual Property, Family Court) to allow Junior Counsel to continue working in their area of practice and reduce workload pressure on JJOs;	
(6)	increase legal support (such as legally trained assistants) to improve efficiency; and	
(7)	provide specific recognition (e.g. unique title to retired judges who continue to work as Deputy Judges).	
Q12	judges who continue to work as Deputy Judges).	in the Judiciary) is unique to Hong Kong or do you believe
Q12 othe	judges who continue to work as Deputy Judges). - Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is	in the Judiciary) is unique to Hong Kong or do you believe Differences cited by Senior Counsel interviewees include:
Q12 othe One the that	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) makes the trade-off on earnings between a successful 	
Q12 othe One the that	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) 	Differences cited by Senior Counsel interviewees include:increasing challenges on personal reputation and public
Q12 othe One the	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) makes the trade-off on earnings between a successful 	 Differences cited by Senior Counsel interviewees include: increasing challenges on personal reputation and public sentiments towards the Judiciary; less transparency regarding the career progression
Q12 othe One the that care	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) makes the trade-off on earnings between a successful 	 Differences cited by Senior Counsel interviewees include: increasing challenges on personal reputation and public sentiments towards the Judiciary; less transparency regarding the career progression trajectory in the Judiciary; and not having the added "incentive" of receiving honours at the end of one's career as in the United Kingdom.
Q12 othe One that care	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) makes the trade-off on earnings between a successful er in private practice and a JJO role a deciding factor. How would you define the profile of the person that shou general view is that the Judiciary should target legal titioners in their later career stage, such as Senior 	 Differences cited by Senior Counsel interviewees include: increasing challenges on personal reputation and public sentiments towards the Judiciary; less transparency regarding the career progression trajectory in the Judiciary; and not having the added "incentive" of receiving honours at the end of one's career as in the United Kingdom.
Q12 othe One the that care Q13 The prac Cou pos part	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) makes the trade-off on earnings between a successful er in private practice and a JJO role a deciding factor. How would you define the profile of the person that shou general view is that the Judiciary should target legal titioners in their later career stage, such as Senior nsel or experienced Junior Counsel for higher court tions and Junior Counsel for lower court positions. In cular, counsel who have deputy judge experience and 	 Differences cited by Senior Counsel interviewees include: increasing challenges on personal reputation and public sentiments towards the Judiciary; less transparency regarding the career progression trajectory in the Judiciary; and not having the added "incentive" of receiving honours at the end of one's career as in the United Kingdom. Id be "targeted" for this career transition? Perceptions of Senior Counsel interviewees include (ordered)
Q12 othe Constitution of the that care Q13 The prace Cou pos part	 Judges who continue to work as Deputy Judges). Do you believe this "issue" (i.e. fewer interests in serving r similar jurisdictions are facing this same issue? major difference noted by Junior Counsel interviewees is cost of living in Hong Kong (particularly housing costs) makes the trade-off on earnings between a successful er in private practice and a JJO role a deciding factor. How would you define the profile of the person that shou general view is that the Judiciary should target legal titioners in their later career stage, such as Senior nsel or experienced Junior Counsel for higher court tions and Junior Counsel for lower court positions. In 	 Differences cited by Senior Counsel interviewees include: increasing challenges on personal reputation and public sentiments towards the Judiciary; less transparency regarding the career progression trajectory in the Judiciary; and not having the added "incentive" of receiving honours at the end of one's career as in the United Kingdom. Id be "targeted" for this career transition? Perceptions of Senior Counsel interviewees include (ordered by the frequency from high to low): (1) legal practitioners who have built up their experience and reputation, but still have sufficient years of working

Q14 - Are you interested in serving as Magistrates/judges, in particular at level of Judges of the Court of First Instance of the High Court ("CFI Judges"), any condition you would place on to serve as one? How much of a reduction in earnings/remuneration would you be willing to accept a full-time appointment on the bench?								
Majority of Junior Counsel interviewees do not express an interest or have not considered a shift in career at this stage:	Similar to the views of Junior Counsel interviewees, the considerations are more about personality and work							
 they do not believe they would fit the criteria although they are not sure of the criteria; 	motivations rather than remuneration.							
 (2) unaffordable at their career stage to take a significant reduction in earnings; 								
 (3) unsure of the roles and opportunities and the uncertainty of whether they could return to private practice after ceasing to hold judicial office are significant barriers against such a career move; 								
(4) decreased flexibility; and								
(5) current socio-economic environment.								
Notwithstanding the above feedback, generally it is noted that the prime motivation for a career move to the Judiciary is to serve the community and in doing so to reinforce the reputation of the Judiciary and the quality of the legal profession in Hong Kong.								
Q15 - If you were considering applying for a JJO position, what a change?	t would be the ideal time in your career/life-stage to make such							
Perceptions of Junior Counsel interviewees include:	The ideal time for such a career move is a combination of 3							
 when one has built a strong personal reputation and is financially independent; and 	factors: a different pace of work, a quieter lifestyle and when the drop in remuneration is no longer an issue.							
(2) typically around 50 to 55 years old for higher court roles as by that time he/she would have gathered sufficient professional legal experience to fully contribute as a judge.								
	1							

Annex IV: Desktop Research of Overseas Jurisdictions

Category	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Professional Legal Qualification Programme	Postgraduate Certificate in Laws	Practical Legal Training by accredited providers	Bar Admission Course, vary by provinces	Professional Legal Studies Course	Singapore Bar Examination	Legal Practice Course (LPC)	Bar examinations, vary by states
Number of Course Providers	3 institutions	n.a. *	n.a. *	2 institutions	1 institution	~34 institutions	n.a. *
Entry Requirements	1 institution specifies that a second-class degree is needed, the rest indicate that admission is based on academic merit.	New South Wales: Candidates must possess a bachelor's degree in law, the Juris Doctor (JD), or equivalent. 4 institutions have not specified the level of academic achievement needed, 1 has combined the training course with the bachelor degree or JD course offered. Victoria: Candidates must possess a bachelor's degree in law, a master degree in law or a JD, and complete and pass the compulsory 11 subjects. Other required level of academic achievement is not specified.	Ontario: Candidates must complete the Barrister Licensing Examination and Solicitor Licensing Examination held by the Law Society of Ontario. British Columbia: Candidates must complete a Law Society Admission Program organised by the Law Society of British Columbia. As an entry requirement, candidates must graduate from a common law faculty of a Canadian university, or possess a Certificate of Qualification issued by the National Committee on Accreditation for overseas qualifications.	Candidates must possess a degree; the required level of academic achievement is not specified.	Candidates must constitute as a "qualified person" under the Legal Professional (Qualified Persons) Rules, which varies by universities. For example, any person admitted as a candidate for the degree of Bachelor of Laws by the National University of Singapore on or after 1st May 1993 shall be a qualified person if - (a) he has passed the final examination for that degree; and (b) he has attained at least lower second class honours in relation to that degree.	Most institutions require a second- class degree.	Most states would require applicants to possess a JD degree held by a Law School accredited by the American Bar Association.

Table 1: Professional Legal Qualification Program	man in the Overseen lyriadiations Cymus ad
Table T Professional Legal Qualification Prooram	mes in the Overseas Junsaictions Surveyed
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* n.a. denotes information not specified as provisions of faculty of law are different across provinces/states.

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Table 2: Differentiation of Solicitor and Barrister in the Overseas Jurisdictions Surveyed

Category	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Barrister	Saparata	Separate	Separate (depending on Fused states)	Fused	Fused	Separate	Fused – all known as Attorney
Solicitor	Separate	· · ·					

Table 3: Number of Solicitors and Barristers in the Overseas Jurisdictions Surveyed

Category	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Total Legal Practitioners	9,189	n.a.*	~130,000	~15,000	~6,000	~170,000	~1,350,000
Barristers	1,593	n.a.*	n.a. *	~1,700	n.a. *	~18,900	n.a. *
Solicitors	7,596	~76,000	n.a. *	n.a. *	n.a. *	~152,000	n.a. *

*n.a. denotes no public information available at in the jurisdiction.

Table 4: Eligibility for Applying for judicial positions in the Overseas Jurisdictions Surveyed

Category	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Barrister	Yee	Yes			Yes	Yes	Yes
Solicitor	Yes		Yes	Yes			

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Table 5: Minimum Requirements for Years of Practice as JJOs in the Overseas Jurisdictions Surveyed

Category	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Lower Court Judge	5-year practice	7-year practice	10-year practice	7-year practice	3-year practice, but the Minister may determine qualifications	3-year practice	5-year practice
Higher Court Judge	10-year practice	7-year practice	10-year practice	7-year practice	10-year practice, but the Minister may determine qualifications	High Court Judge: 7-year practice Supreme Court Judge: 15-year practice	No constitutional requirements. Members of Congress and the Department of Justice have developed their own informal criteria

Table 6: Statutory Retirement Age in the Overseas Jurisdictions Surveyed

	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Mandatory Retirement Age		70	70	70	65	75	70-90 (depending on states)

Opportunity to	Hong Kong SAR Australia		Canada	New Zealand	Singapore	United Kingdom	United States
work Part-time	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Note	The Judiciary engages temporary judicial resources including deputy judges to help relieve workload.	No publicly available information on the conditions or restrictions of working as a part-time judge.	Judges must be 65 and have served at least 15 years on the bench or have 10 years of service by the age of 70 to be eligible as supernumerary judges. The salary of each supernumerary judge is the salary annexed to the office of a judge of that Court, other than the office of a Chief Justice or Associate Chief Justice. Supernumeraries account for almost 20 per cent of all active federally appointed judges.	A judge authorised to act on a part-time basis must resume acting on a full- time basis at the end of the approved period. Part-time Acting- Warranted Judges are usually judges who have retired from a full-time role. Judges must retire from full-time at the age of 70, although they may be appointed for a further two years on an acting- warrant.	No publicly available information on the conditions or restrictions of working as a part-time judge.	Fee-paid (part-time) positions are usually similar to the equivalent salaried appointment but may deal with the less complex or serious cases. They are paid according to the number of sittings or days worked and the number of sitting days will generally be at least 15 days in a year.	Part-time Magistrate Judges serve four-year terms.

Table 7: Availability to work as a Part-time Judge in the Overseas Jurisdictions Surveyed

Table 8: Judicial Pay Adjustment Mechanism in the Overseas Jurisdictions Surveyed

Judicial Pay Adjustment	Pay Adjustment Mechanism in the Overseas Jurisdictions Surveyed Hong Kong SAR	Australia	
Judicial Pay Adjustment Mechanism	Recommendation from advisory body (The Judicial Committee), subject to government's decision	Recommendation from advisory body(Remuneration Tribunal), subject to government's decision	
Factor(s) Influencing Pay Adjustment	The basket of factors (refer to Note)	Economic conditions (refer to Note)	
Judicial Pay Review/ Adjustment	The mechanism for judicial remuneration review comprises two components: a regular benchmark study (conducted once every five years) and an annual salary review.	The Remuneration Tribunal would set out the annual remuneration of all judges in its Remuneration Tribunal (Judicial and Related Offices – Remuneration and Allowances) Determination.	
Note	The basket of factors, includes: (a) the responsibility, working conditions and workload of judges vis-à-vis those of lawyers in private practice; (b) recruitment and retention in the Judiciary; (c) the retirement age and retirement benefits of JJOs; (d) the benefits and allowances enjoyed by JJOs; (e) prohibition against return to private practice in Hong Kong; (f) public sector pay as a reference; (g) private sector pay levels and trends; (h) cost of living adjustments; (i) the general economic situation in Hong Kong; (j) overseas remuneration arrangements; (k) unique features of judicial service – such as the security of tenure, the prestigious status and high esteem of judicial offices; and (l) the budgetary situation of the Government – which is a relevant factor for consideration in adjusting civil service pay.	In conducting remuneration review, the Remuneration Tribunal takes account of economic conditions in Australia, past and projected movements in remuneration in the private and public sectors (including the Australian Public Service), as well as the outcomes of reviews of public offices completed by the Tribunal. In order to inform its conclusions, the Tribunal draws upon authoritative external sources such as the published material available from the Government, the Reserve Bank of Australia and the Australian Bureau of Statistics as well as trends in public and private sector remuneration.	

Judicial Pay Adjustment	Canada	New Zealand	
Judicial Pay Adjustment Mechanism	Constitution (Judges Act)	Recommendation from advisory body (Remuneration Authority), subject to government's decision	
Factor(s) Influencing Pay Adjustment	Industrial Aggregate (refer to Note) (Industrial Aggregate is the average weekly wages and salaries of the Industrial Aggregate in Canada for that year as published by Statistics Canada under the authority of the Statistics Act)	Criteria listed in Remuneration Authority Act 1977 (refer to Note)	
Judicial Pay Review/ Adjustment	The Judges Act specifies the pay of all judges and indicates that annual salary judgment is determined by the "Industrial Aggregate". The Judicial Compensation and Benefits Commission will conduct quadrennial inquiry once every 4 years. A report containing its recommendations is submitted to the Minister of Justice of Canada for consideration.	The Remuneration Authority would set out the annual remuneration of all judges in the Judicial Officers' Salaries and Allowances Determination.	
Note	 The Judicial Compensation and Benefits Commission shall consider: a) the prevailing economic conditions in Canada, including the cost of living, and the overall economic and current financial position of the federal government; b) the role of financial security of the Judiciary in ensuring judicial independence; c) the need to attract outstanding candidates to the Judiciary; and d) any other objective criteria that the Commission considers relevant. 	 The Remuneration Authority shall have regard in particular to the following criteria: a) the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere; b) the need to be fair both to the persons or group of persons whose remuneration is being determined; and to the taxpayer or ratepayer; and c) the need to recruit and retain competent persons. The Authority must also take into account any prevailing adverse economic conditions, based on evidence from an authoritative source; and may determine the remuneration at a rate lower than it would otherwise have determined. 	

Judicial Pay Adjustment	Singapore	United Kingdom	United States (Federal Judge)
Judicial Pay Adjustment Mechanism	Constitution (Judges' Remuneration Act)	Recommendation from advisory body, subject to government's decision (Senior Salaries Review Body (SSRB))	Constitution (Congress)
Factor(s) Influencing Pay Adjustment	Minister's discretion (The Judges' Remuneration (Annual Pensionable Salary) Order specifies the annual pensionable salary of judges, while Section 2(2) of the Act empowers the Minister to grant allowances. In practice judges usually receive higher pay than what is specified in the said order).	The basket of factors (refer to Note)	Cost-of-living adjustments (Employment Cost Index). The Constitution also states judges' compensation shall not be diminished during their Continuance in Office.
Judicial Pay Review/ Adjustment	The Judges' Remuneration (Annual Pensionable Salary) Order specifies the annual pensionable salary of judges.	The annual salary review of judicial pay is conducted by SSRB every year and recommendations are provided in Senior Salaries Review Body Report. Major Review of the Judicial Salary Structure is carried out by SSRB roughly every 5 years.	The compensation is determined by the United States Congress and are governed in part by the United States Constitution.
Note	n.a.	 SSRB is to have regard to the following considerations: a) the need to recruit, retain, motivate and, where relevant, promote suitably able and qualified people to exercise their different responsibilities; b) regional/local variations in labour markets and their effects on the recruitment, retention and, where relevant, promotion of staff; c) government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services; d) the funds available to departments as set out in the government's departmental expenditure limits; and e) the government's inflation target. 	n.a.

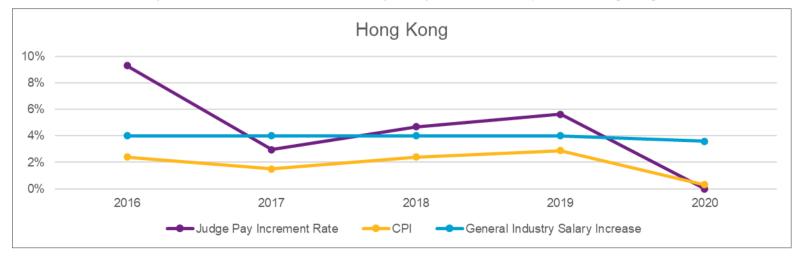
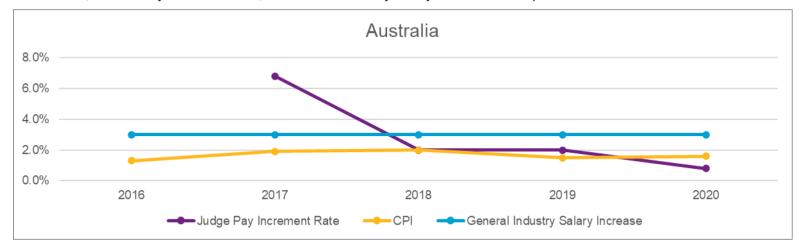


Chart 1: CPI, Judicial Pay Increment Rate, and General Industry Salary Increases[^] Comparison – Hong Kong

Chart 2: CPI, Judicial Pay Increment Rate, and General Industry Salary Increases^ Comparison – Australia*



* Official source of judge pay is not available in 2016.

^ Based on Willis Towers Watson's Global Salary Budget Planning Reports from 2016 to 2020.

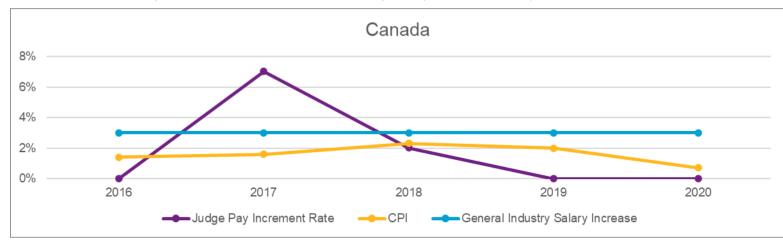
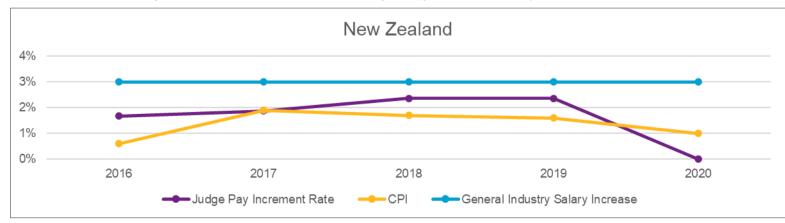


Chart 3: CPI, Judicial Pay Increment Rate, and General Industry Salary Increases^ Comparison – Canada

Chart 4: CPI, Judicial Pay Increment Rate, and General Industry Salary Increases^ Comparison – New Zealand



^ Based on Willis Towers Watson's Global Salary Budget Planning Reports from 2016 to 2020.

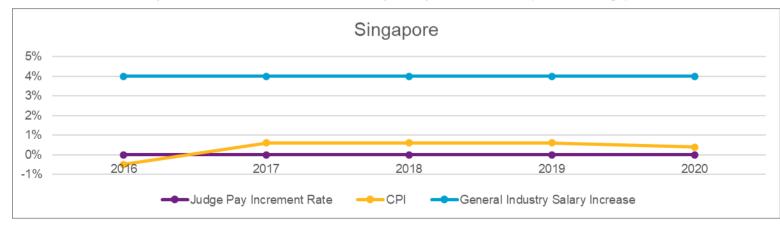


Chart 5: CPI, Judicial Pay Increment Rate, and General Industry Salary Increases^ Comparison – Singapore *

* According to Singapore's <JUDGES' REMUNERATION (ANNUAL PENSIONABLE SALARY) ORDER> in 1994 and associated amendment in 2020 ("S 1058/2020 wef 02/01/2021"), the annual pensionable judicial pay point in Singapore has not been revised since 1994. It is known that Singapore judges and other public/civil officers are eligible for allowances in addition to the pensionable salary, however without any detailed information disclosed.

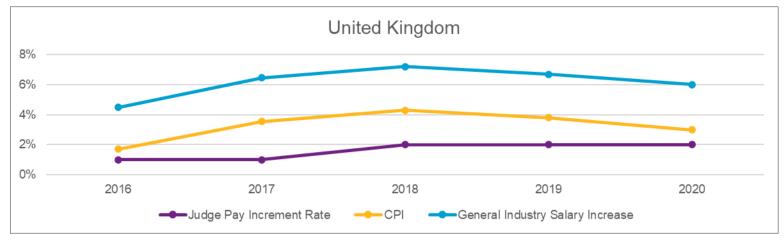
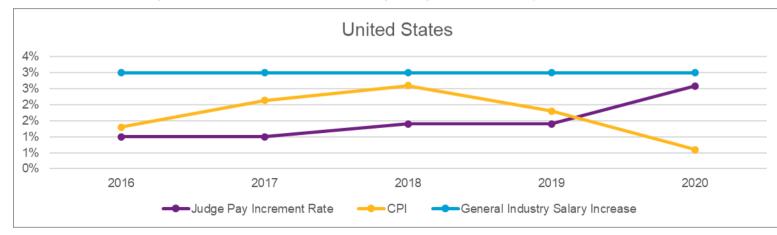
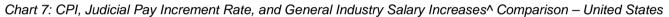


Chart 6: CPI, Judicial Pay Increment Rate, and General Industry Salary Increases^ Comparison – United Kingdom

^ Based on Willis Towers Watson's Global Salary Budget Planning Reports from 2016 to 2020.





^ Based on Willis Towers Watson's Global Salary Budget Planning Reports from 2016 to 2020.

Opportunity to Return to Private	Hong Kong SAR	Australia	Canada	New Zealand	Singapore	United Kingdom	United States
Practice after Judicial Career	No except for Magistrates	Yes	Yes	No	Yes	No	Yes
Note	The Chief Justice and Judges of the Court of Final Appeal are prohibited by statute from returning to private practice after ceasing to hold judicial office. Judges at the District Court and High Court levels must give an undertaking not to practise in future as barristers or solicitors in Hong Kong unless the Chief Executive permits.	5-year cooling period.	3-year cooling period, unless the governing body approves on the basis of exceptional circumstances.	According to the Crown Law Judicial Protocol, candidates are asked to sign the applicant's declaration and to undertake that if appointed, they will not resume practice before the courts on retirement or earlier termination of their appointment.	Solicitor cannot apply for a practising certificate if the solicitor has held office as a judge of the Supreme Court for a period of three years or more.		No specific prohibition against former judges from returning to practice.

Table 9: Opportunity to Return to Private Practice after Ceasing to Hold a Judicial Office in the Overseas Jurisdictions Surveyed

Annex V: Quantitative Questionnaire for the Hong Kong Study

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Survey of the Earnings of Barristers

Thank you for participating in this critical survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. Willis Towers Watson was appointed to conduct the 2020 Benchmark Study. The information collected will always be kept in the strictest of confidence and under safe custody until such time they are destroyed.

The 2020 Benchmark Study also contains an element of one-on-one interviews, aiming to obtain views and perceptions regarding opportunities to serve in the Judiciary. The qualitative interviews will be executed in an anonymous manner, with interview summaries presented in an aggregated way to protect personal information. If you are interested in such interview, please contact Willis Towers Watson consultant Brooke Liu (brooke.liu@willistowerswatson.com, or +852 6939 5966) for detailed schedule.

Junior Counsel

Please tick $\sqrt{}$ or fill in comments (where necessary) to indicate your answers.

Part I: Professional Background

1. Please indicate your current professional status.

Conjer Councel	
Senior Counsel	

2. If you are a Senior Counsel, please indicate how long have you been called to Inner Bar.

□ 0 to 5 years	15.1 to 20 years
□ 5.1 to 10 years	More than 20.1 years
□ 10.1 to 15 years	

3. Please indicate your age.

Below 30	□ 35 to 39	□ 45 to 49
□ 30 to 34	□ 40 to 44	50 or above

4. Please indicate the total number of years that you have been practising law in Hong Kong and/or any other common law jurisdictions (including any period as a legal officer in the Government or as a solicitor, but excluding in-house legal experience): ______ years of experience as at 31 March 2020.

Part II: Earnings as a Legal Practitioner

5. Please indicate your total earnings ¹ from practising law (<u>including Hong Kong and other jurisdictions</u>) from 1 April 2019 to 31 March 2020, in Hong Kong dollar.

Less than \$500,000	\$1,400,001 to \$1,600,000	\$4,000,001 to \$4,500,000
\$500,000 to \$600,000	\$1,600,001 to \$1,800,000	\$4,500,001 to \$5,000,000
\$600,001 to \$700,000	\$1,800,001 to \$2,100,000	\$5,000,001 to \$6,000,000
\$700,001 to \$800,000	\$2,100,001 to \$2,400,000	\$6,000,001 to \$8,000,000
\$800,001 to \$900,000	\$2,400,001 to \$2,700,000	\$8,000,001 to \$10,000,000
\$900,001 to \$1,000,000	\$2,700,001 to \$3,000,000	\$10,000,001 to \$12,000,000
\$1,000,001 to \$1,200,000	\$3,000,001 to \$3,500,000	\$12,000,001 to \$15,000,000
\$1,200,001 to \$1,400,000	\$3,500,001 to \$4,000,000	More than \$15,000,000

6. Within the total earnings indicated above, please provide the associated percentages for the following categories (total percentage should add up to 100%).

Earnings for practising law in Hong Kong ² :%	
Earnings for practising law in other jurisdiction(s) ³ :	%

¹ Earnings are your net income from practising law after deduction of all expenses directly relative to your practice, before tax; any benefit-inkind shall be excluded from your earnings calculation.

² Earnings for practising law in Hong Kong: generating income from representing clients for all forms of legal proceedings in all the courts and tribunals <u>in Hong Kong jurisdiction</u>, and such earnings are chargeable to Hong Kong profits tax on the assessable profits of the sole proprietorship.

³ Earnings for practising law in other jurisdiction(s): generating income from admitted on an ad hoc basis for the purpose of conducting specific cases in other jurisdictions (i.e., ad hoc admission).

- 7. Compared to 2015 (1st April 2014 to 31st March 2015), your current earnings are:
 - Significantly higher (more than 30%)
 - Moderately higher (6% to 30%)
 - □ About the same (-5% to 5%)

Part III: Impact of COVID-19 Pandemic

- 8. Have your earnings been adversely impacted by the COVID-19 Pandemic during the period 1st April 2019 to 31st March 2020?
 - No
 - Yes; please provide your estimate of the % loss of earnings: %
- 9. Do you anticipate any new/further impact on your 2020/21 earnings due to the COVID-19 Pandemic?
 - □ Significantly higher (more than 30%)
 - Some positive impact (6% to 30%)
 - No clear impact (-5% to 5%)
 - Part IV: Serving in the Judiciary
- 10. Would you consider serving in the Judiciary?
 - □ Yes; please indicate the importance of the following factors in determining your response by assigning 1 (most important) to 5 (least important).

Factors	1-Most important	2	3	4	5-Least important
Complexity and diversity of cases experienced					
Contribution to the development of the law through ruling cases					
Job and earnings security					
Natural career progression					
Competitive pension scheme and other benefits					
Reduction of workload and pressure, compared with private practice					
Respected social status					
Serving the community					
Other (please specify):					

□ No; please indicate the importance of the following factors in your response by assigning 1 (most important) to 5 (least important).

Factors	1-Most important	2	3	4	5-Least important
Cutting down of social ties					
Increased caseloads					
Inflexibility in working arrangements					
Reduction of earnings / remuneration					
Restrictions in returning to private practice					
Other (please specify):					

- End of questionnaire -

Thank you for completing the questionnaire. Please submit your response on or before [to insert date].

We offer multiple channels to accept your response. In the interest of the environment and concerns related to the COVID-19 Pandemic, we encourage you to submit your response through the dedicated online survey link included in the cover email. You can also return it to Willis Towers Watson by post using the enclosed stamped return envelope, by faxing it to +852 2195 5600 or by emailing it to WTW.HongKong.Data@willistowerswatson.com.

□ Significantly lower (more than -30%)

□ Some negative impact (-6% to -30%)

□ Moderately lower (-6% to -30%)

Not applicable

□ Significantly negative impact (more than -30%)

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Survey of the Earnings of Solicitors

Thank you for participating in this critical survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. Willis Towers Watson was appointed to conduct the 2020 Benchmark Study. The information collected will always be kept in the strictest of confidence and under safe custody until such time they are destroyed.

The 2020 Benchmark Study also contains an element of one-on-one interviews, aiming to obtain views and perceptions regarding opportunities to serve in the Judiciary. The qualitative interviews will be executed in an anonymous manner, with interview summaries presented in an aggregated way to protect personal information. If you are interested in such interview, please contact Willis Towers Watson consultant Brooke Liu (brooke.liu@willistowerswatson.com, or +852 6939 5966) for detailed schedule.

Please tick $\sqrt{}$ or fill in comments (where necessary) to indicate your answers.

Part I: Professional Background

- 1. Please indicate your current professional status.
 Partner/Sole Proprietor
 Solicitor
 Consultant
 Others (please specify): _______
 Please indicate if you are a solicitor advocate.
 Yes
 No

 3. Please indicate your age.

 Below 30
 35 to 39
 45 to 40
 50 or above
- 4. Please indicate the total number of years that you have been practising law in Hong Kong and/or any other common law jurisdictions (including any period as a legal officer in Government or as a barrister, and excluding in-house legal experience): ______ years of experience as at 31 March 2020.
- 5. Please indicate your current practice area:
- Banking and Finance & Capital Market Law
 Commercial Law (Transaction based)
 Commercial Real Estate/Property Law
 Employment and Labor Law
 Insurance Law
 Insurance taw
 Insurance Law
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 I
 - Local firm (operating in Hong Kong)
 - □ International firm (operating in two or more jurisdictions)
- 7. Please indicate the total number of employees in your firm.
 - Up to 50

□ 51 to 100

□ 101 to 150

Above 150

:

Part II: Earnings as a Legal Practitioner

- 8. Please indicate your total earnings ¹ from practising law (including Hong Kong and other jurisdictions) from 1 April 2019 to 31 March 2020, in Hong Kong dollars.
 - Less than \$500,000 □ \$1,400,001 to \$1,600,000 □ \$4,000,001 to \$4,500,000 **\$500,000 to \$600,000 1**,600,001 to \$1,800,000 □ \$4,500,001 to \$5,000,000 **\$600,001 to \$700,000 \$1.800.001 to \$2.100.000** □ \$5.000.001 to \$6.000.000 **\$700,001 to \$800,000** □ \$2,100,001 to \$2,400,000 □ \$6,000,001 to \$8,000,000 **\$**2,400,001 to **\$**2,700,000 **\$800,001 to \$900,000** □ \$8,000,001 to \$10,000,000 **900,001 to \$1,000,000 \$**2,700,001 to \$3,000,000 □ \$10,000,001 to \$12,000,000 **1** \$1,000,001 to \$1,200,000 **\$3,000,001 to \$3,500,000** □ \$12,000,001 to \$15,000,000 □ More than \$15,000,000 **\$1,200,001 to \$1,400,000 \$**3,500,001 to \$4,000,000
- 9. Within the total earnings indicated above, please provide the associated percentages for the following categories (total percentage should add up to 100%).

 - Earnings for practising law in Hong Kong²: ____%
 Earnings for practising law in other jurisdiction(s)³: ____%
- 10. Within the total earnings indicated above, please provide the associated percentages for the following categories (total percentage should add up to 100%).
 - Base salary and fixed allowance: _____%
 - Annual total bonus: _____%
 - □ Long-term incentive granted for the year: ____%
 - □ Retirement: ____%
- 11. Compared to 2015, your current earnings are:
 - □ Significantly higher (more than 30%)
 - □ Moderately higher (6% to 30%)
 - □ About the same (-5% to 5%)

- □ Moderately lower (-6% to -30%)
- □ Significantly lower (more than -30%)
- □ Not applicable

Part III: Impact of COVID-19 Pandemic

- 12. Have your earnings been adversely impacted by the COVID-19 Pandemic during 1st April 2019 to 31st March 2020?
 - No
 - □ Yes; please provide your estimate of the % loss of earnings: ____%
- 13. Do you anticipate any new/further impact on your 2021 earnings level due to the COVID-19 Pandemic?
 - Significant positive impact (more than 30%)
 - Some positive impact (6% to 30%)
 - No clear impact (-5% to 5%)

- □ Some negative impact (-6% to -30%)
- □ Significant negative impact (more than -30%)

¹ Earnings are your net income from practising law after deduction of all expenses directly relative to your practice, before tax; any benefitin-kind shall be excluded from your earnings calculation.

⁻ If you are a partner or sole proprietor, earnings include your share of income from the firm after deduction of all expenses but before taxes. Earnings include any drawings you may take from the firm, any allowances paid to you, contributions made to a retirement scheme on your behalf, and any amounts attributable to you that are retained by the firm (if applicable), but before tax.

If you are an employee of a law firm, your earnings are base salaries, fixed cash allowances, guaranteed and flexible bonuses, longterm incentive granted for the year, and pension/retirement contributed by the organisation but before taxes.

² Earnings for practising law in Hong Kong: partners to provide legal advice to their clients with contractual liability in Hong Kong, and such earnings are chargeable to Hong Kong profits tax, or salaries tax.

³ Earnings for practising law in other jurisdiction(s): generating income from admitted on an ad hoc basis for the purpose of conducting specific cases in other jurisdictions (i.e., ad hoc admission), if any.

Part IV: Serving in the Judiciary

14. Are you aware of the Higher Rights of Audience that has been granted to solicitors before the High Court and the Court of Final Appeal in civil and/or criminal proceedings?

Yes

🛛 No

- 15. Would you consider applying for Higher Rights of Audience, assuming you satisfy the eligibility requirements?
 - Yes
 - □ No, I am not holding the certificate of Higher Rights of Audience, and I don't plan to apply for it
 - No, I am already a solicitor advocate
- 16. Would you be interested to be called to court as a solicitor advocate, and if so, why?
 - Yes; please indicate the importance of the following factors in determining your response by assigning 1 (most important) to 5 (least important).

Factors	1-Most important	2	3	4	5-Least important
Additional remunerations					
Complexity and diversity of cases					
Contribution to the development of the law					
Opportunity to apply advocacy skills in higher court					
Increasing fees for the firm/optimising costs for clients					
Strengthening personal reputation in the market					
Other (please specify):					

No; please evaluate the importance of the following factors in determining your response by assigning 1 (most important) to 5 (least important).

Factors	1-Most important	2	3	4	5-Least important
Additional and extensive workload and pressure					
Not part of personal career development goals/ambitions					
Requirement for oral advocacy/lack of relevant experience					
Other (please specify):					

17. Do you have any plans in the next five years to apply to serve in the Judiciary?

 Yes; please indicate the importance of the following factors in determining your response by assigning 1 (most important) to 5 (least important).

Factors	1-Most important	2	3	4	5-Least important
Complexity and diversity of cases					
Contribution to the development of the law					
Job and earnings security					
Natural career progressions					
Competitive pension scheme and other benefits					
Reduction of workload and pressure, compared with private practice					
Respected social status					
Serving the community					
Other (please specify):					

 No; please indicate the importance of the following factors in determining your response by assigning 1 (most important) to 5 (least important).

Factors	1-Most important	2	3	4	5-Least important
Cutting down of social ties					
Increased caseloads					
Inflexibility in working arrangements					
Reduction of earnings / remunerations					
Restrictions in returning to private practice					
Other(please specify):					

- End of questionnaire -

Thank you for completing the questionnaire. Please submit your response on or before [to insert date].

We offer multiple channels to accept your response. In the interest of the environment and concerns related to the COVID-19 Pandemic, we encourage you to submit your response through the dedicated online survey link included in the cover email. You can also return it to Willis Towers Watson by post using the enclosed stamped return envelope, by faxing it to +852 2195 5600 or by emailing it to <u>WTW.HongKong.Data@willistowerswatson.com</u>.

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2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Survey of the Earnings of Legal Practitioners in Public Bodies/Major Corporations

Thank you for participating in this critical survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. Willis Towers Watson was appointed to conduct the 2020 Benchmark Study. The information collected will always be kept in the strictest of confidence and under safe custody until such time they are destroyed.

Please tick $\sqrt{}$ or fill in comments (where necessary) to indicate your answers ¹.

Part I: Organisation Information

- 1. Please indicate your organisation's primary industry ²:
 - Manufacturing
 - Electricity, Gas Supply, & Waste Management
 - □ Import/Export, Wholesale and Retail Trades
 - Retail
 - Transportation, Storage, Postal & Courier Services
 - Accommodation and Food Services

- □ Information & Communications
- □ Financing and Insurance
- Real Estate
- Professional & Business Services

Litigation/dispute resolution

Managing legal contracts

Research

Other:

- □ Social Services (including government linked bodies)
- Other (please specify): ______

2. Please indicate:

How many legal professionals are employed by your organisation? ______
 How many of them have 5 or more years of private practice experience before in-house legal practice? _____

- 3. What principal legal work is the legal /compliance unit of your company involved in (please select all the relevant disciplines)?
 - Compliance research
 - Commercial/transaction service
 - Enforcement
 - Investigation
 - Legal advisory

Part II: Earnings as Legal Practitioners

4. Please complete the following for <u>each</u> of the legal professionals in your organisation with at least 5 years of private practice experience before in-house counsel role.

Qualified incumbent #1

- Job Title: _____
- Current Professional Status:
 Solicitor
 Barrister
- Total years of experiences practicing law as at 31 March 2020: _____ years
- Age: Below 30 30 34 35 39 40 44 45 49 50 or above
- Total remuneration ³ (including long-term incentive granted for the year and pension) from 1 April 2019 to 31 March 2020, in Hong Kong dollars:

		Less than \$500,000		\$1,400,001 to \$1,600,000		\$4,000,001 to \$4,500,000		
		\$500,000 to \$600,000		\$1,600,001 to \$1,800,000		\$4,500,001 to \$5,000,000		
		\$600,001 to \$700,000		\$1,800,001 to \$2,100,000		\$5,000,001 to \$6,000,000		
		\$700,001 to \$800,000		\$2,100,001 to \$2,400,000		\$6,000,001 to \$8,000,000		
		\$800,001 to \$900,000		\$2,400,001 to \$2,700,000		\$8,000,001 to \$10,000,000		
		\$900,001 to \$1,000,000		\$2,700,001 to \$3,000,000		\$10,000,001 to \$12,000,000		
		\$1,000,001 to \$1,200,000		\$3,000,001 to \$3,500,000		\$12,000,001 to \$15,000,000		
		\$1,200,001 to \$1,400,000		\$3,500,001 to \$4,000,000		More than \$15,000,000		
•	Actual amount of long-term incentive granted in the most recent year (round up to nearest thousand): HK\$							
•	Organisation contribution rate to pension/retirement plan:%							

¹ Subject to your preference, a separate EXCEL file is also attached to you for easy entry purpose.

² Industry sector is based on classifications of Census and Statistics Department.

³ Total remuneration, in this survey, includes base salaries, fixed cash allowances, guaranteed and flexible bonuses, long-term incentive, and pension/retirement contributed by the organisation, but before taxes.

Qua	alified incumbent #2							
•	Job Title:							
•	Current Professional Status: Solicitor Barrister							
•	Total years of experiences practicing law as at 31 March 2020: years							
٠	Age: □ Below 30 □ 30 - 34 □ 35 - 39 □ 40 - 44 □ 45 - 49 □ 50 or above							
•	Total remuneration (<u>including long-term incentive granted for the year and pension</u>) from 1 April 2019 to 31 March 2020 in Hong Kong dollars:							
	Less than \$500,000 \$1,400,001 to \$1,600,000 \$4,000,001 to \$4,500,000 \$500,000 to \$600,000 \$1,600,001 to \$1,800,000 \$4,500,001 to \$5,000,000 \$600,001 to \$700,000 \$1,800,001 to \$2,100,000 \$5,000,001 to \$6,000,000 \$700,001 to \$800,000 \$2,100,001 to \$2,400,000 \$6,000,001 to \$8,000,000 \$800,001 to \$900,000 \$2,400,001 to \$2,700,000 \$8,000,001 to \$10,000,000 \$900,001 to \$1,000,000 \$2,700,001 to \$3,000,000 \$10,000,001 to \$12,000,000 \$1,000,001 to \$1,200,000 \$3,000,001 to \$3,500,000 \$12,000,001 to \$15,000,000 \$1,200,001 to \$1,400,000 \$3,500,001 to \$4,000,000 More than \$15,000,000 \$1,200,001 to \$1,400,000 \$3,500,001 to \$4,000,000 More than \$15,000,000							
	Organisation contribution rate to pension/retirement plan:%							
•	Job Title:							
	Current Professional Status: Solicitor Barrister							
	Total years of experiences practicing law as at 31 March 2020: years							
	Age: \square Below 30 \square 30 – 34 \square 35 – 39 \square 40 – 44 \square 45 – 49 \square 50 or above							
•	Total remuneration (<u>including long-term incentive granted for the year and pension</u>) from 1 April 2019 to 31 March 2020 in Hong Kong dollars:							
	Less than \$500,000 \$1,400,001 to \$1,600,000 \$4,000,001 to \$4,500,000 \$500,000 to \$600,000 \$1,600,001 to \$1,800,000 \$4,500,001 to \$5,000,000 \$600,001 to \$700,000 \$1,800,001 to \$2,100,000 \$5,000,001 to \$6,000,000 \$700,001 to \$800,000 \$2,100,001 to \$2,400,000 \$6,000,001 to \$10,000,000 \$800,001 to \$900,000 \$2,400,001 to \$2,700,000 \$8,000,001 to \$10,000,000 \$900,001 to \$1,000,000 \$2,700,001 to \$3,000,000 \$10,000,001 to \$12,000,000 \$1,000,001 to \$1,200,000 \$3,000,001 to \$3,500,000 \$12,000,001 to \$15,000,000 \$1,200,001 to \$1,400,000 \$3,500,001 to \$4,000,000 \$12,000,000							
•	Actual amount of long-term incentive granted in the most recent year (round up to nearest thousand): HK\$							
	Organisation contribution rate to pension/retirement plan:%							

- End of questionnaire -

Thank you for completing the questionnaire. Please submit your response on or before [to insert date].

We offer multiple channels to accept your response. In the interest of the environment and concerns related to the COVID-19 Pandemic, we encourage you to submit your response through the dedicated online survey link included in the cover email. You can also return it to Willis Towers Watson by post using the enclosed stamped return envelope, by faxing it to +852 2195 5600 or by emailing it to <u>WTW.HongKong.Data@willistowerswatson.com</u>.

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Survey of the Earnings of Legal Practitioners in Public Bodies/Major Corporations

(in EXCEL Format, Screenshot)

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong									
Survey of the Earnings of Legal Practitioners in Public Bodies/Major Corporations									
Thank you for participating in this critical survey commissioned by the Standing Committee on Judicial Salaries and Conditions of Service. Willis Towers Watson was appointed to conduct the 2020 Benchmark Study. The information collected will always be kept in the strictest of confidence and under safe custody until such time they are destroyed.									
Please select √ in drop down box or fill in comments (where necessary) to indicate your answers.									
Part I: Organisation Information									
1. Please indicate your organisation's primary industry									
Manufacturing Electricity. Gas Supply. & Waste Management Import/Export, Wholesale and Retail Trades Retail Transportation, Storage, Postal & Courier Services Accommodation and Food Services 2. Please indicate:	Information & Communications Financing and Insurance Real Estate Professional & Business Services Social Services (including government linked bodies) Other (please specify):	(input value)							
How many legal professionals are employed by your organisation? How many of them have 5 or more years of private practice experience before in-h	ise legal practice? (input value) (input value)								
3. What principal legal work is the legal /compliance unit of your company i	· · · · · · · · · · · · · · · ·								
Compliance research Commercial/transaction service Enforcement Investigation	Litigation / dispute resolution Managing legal contracts Research Other (please specify):	(input value)							
Legal advisory									

Part II: Earnings as Legal Practitioners

Annex VI: Interview Guides for the Hong Kong Legal Practitioners

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Barristers Interview Guide

Introduction

Thank you for accepting this invite to participate in an interview.

The Standing Committee on Judicial Salaries and Conditions of Service has engaged Willis Towers Watson to conduct the 2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. As part of the survey exercise, Willis Towers Watson is conducting a number of qualitative interviews with practitioners in private practice in order to better understand perceptions towards a career in the Judiciary in Hong Kong. We expect these interviews to last thirty minutes to an hour.

Willis Towers Watson complies with a series of protocols in conducting surveys to protect personal privacy. Your response will be held by Willis Towers Watson in strict confidence. No individual information shall be shared to any third parties. The outcomes of each interview will be presented in an aggregated way to further ensure the protection of personal opinions.

Earnings as Barristers

- 1. Please describe your current professional status (Senior Counsel, Junior Counsel), and how long you have been called to the Bar.
- 2. How would you describe your earnings in Hong Kong in 2019/20 (in the financial year of 1st April 2019 to 31st March 2020) relative to those from 2014/15 (1st April 2014 to 31st March 2015), and what were the driving factors causing those variations, if any?
- 3. How would you compare the earnings of a barrister in Hong Kong relative to that of JJOs'?
- 4. Has the COVID-19 Pandemic adversely impacted your earnings in 2019/20, especially due to the closure of the court from January to March of 2020? If so, what would you estimate the impact to be from a percentage loss perspective?
- 5. Do you expect the pandemic to impact your 2020/21 earnings, and if so how much, in comparison to 2019/20?

Serving in the Judiciary

- 6. What competencies (technical and/or behavioral) or characteristics do you think are pivotal in serving in the Judiciary in Hong Kong? How have these changed over the recent years?
- 7. What are the primary drivers that make serving in the Judiciary attractive and how have those changed over the years, e.g., contribution to the development of the law, job security, natural career progression, competitive pension scheme/other benefits, reduction of workload and pressure (compared with private practice), respected social status, serving the community?
- 8. What are the primary factors that make serving in the Judiciary <u>less</u> attractive and have those changed over the years?
- 9. Why do you think there are fewer candidates interested in entering the Judiciary in Hong Kong?
- 10. In your understanding, whether the prevailing conditions in the community from 2019 to 2020 have affected the legal practitioners' willingness in joining the bench?
- 11. How could this career move be made more attractive, and thus attract more qualified candidates?
- 12. Do you believe this "issue" (i.e. fewer interests in serving in the Judiciary) is unique to Hong Kong or do you believe other similar jurisdictions are facing this same issue?
- 13. How would you define the profile of the person that should be "targeted" for this career transition?
- 14. Are you interested in serving as Magistrate/judges, in particular at level of Judges of the Court of First Instance of the High Court ("CFI Judge"), any condition you would place on to serve as one? How much of a reduction in earnings/remuneration would you be willing to accept a full-time appointment on the Bench?
- 15. If you were considering applying for a JJO position, what would be the ideal time in your career/life-stage to make such a change?
- 16. Other points you would like to make?

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2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Solicitor Interview Guide

Introduction

Thank you for accepting this invite to participate in an interview.

The Standing Committee on Judicial Salaries and Conditions of Service has engaged Willis Towers Watson to conduct the 2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. As part of the survey exercise, Willis Towers Watson is conducting a number of qualitative interviews with practitioners in private practice in order to better understand perceptions towards a career in the Judiciary in Hong Kong. We expect these interviews to last thirty minutes to an hour.

Willis Towers Watson complies with a series of protocols in conducting surveys to protect personal privacy. Your response will be held by Willis Towers Watson in strict confidence. No individual information shall be shared to any third parties. The outcomes of each interview will be presented in an aggregated way to further ensure the protection of personal opinions.

Earnings as Solicitor

- 1. Please describe your current professional status (Partner, Solicitor Advocate, Solicitor, or Consultant), practice area, and total years of practice.
- 2. How would you describe your earnings in Hong Kong in 2019/20 (in the financial year of 1st April 2019 to 31st March 2020) relative to those from 2014/15 (1st April 2014 to 31st March 2015), and what were the driving factors causing those variations, if any?
- 3. How would you compare the earnings of a solicitor in Hong Kong relative to that of JJOs'?
- 4. Has the COVID-19 Pandemic adversely impacted your earnings in 2019/20? If so, what would you estimate the impact to be from a percentage loss perspective?
- 5. Do you expect the pandemic to impact your 2020/21 earnings, and if so how much, in comparison to 2019/20?

Serving in the Judiciary

- 6. What competencies (technical and/or behavioral) or characteristics do you think are pivotal in serving in the Judiciary in Hong Kong? How have these changed over the recent years?
- 7. What are the primary drivers that make serving in the Judiciary attractive and how have those changed over the years, e.g., contribution to the development of the law, job security, natural career progressions, competitive pension scheme/other benefits, no commercial performance targets, reduction of workload and pressure compared with private practice, respected social status, serving the community?
- 8. What are the primary factors that make serving in the Judiciary <u>less</u> attractive and have those changed over the years, e.g., cutting down of social ties, increased caseloads, inflexibility in working arrangement, reduction of earnings/remunerations, restrictions in returning to private practice?
- 9. Why do you think there are fewer candidates interested in entering the Judiciary in Hong Kong?
- 10. Do you think granting more solicitors with Higher Rights of Audience (solicitors with such accreditation are known as "solicitor advocate") will improve the interests in serving in the Judiciary, and if not, why ¹?
- 11. In your understanding, whether the prevailing conditions in the community from 2019 to 2020 have affected the legal practitioners' willingness in joining the bench?
- 12. How would you define the profile of the person that should be "targeted" for this career transition?
- 13. How could this career move be made more attractive, and thus attract more qualified candidates?
- 14. Do you believe this "issue" (i.e. fewer interests in serving in the Judiciary) is unique to Hong Kong or do you believe other similar jurisdictions are facing this same issue?
- 15. Are you interested in serving as Magistrate/judges, in particular at level of Judges of the Court of First Instance of the High Court ("CFI Judge"), any condition you would place on to serve as one? How much of a reduction in earnings/remuneration would you be willing to accept a full-time appointment on the Bench?
- 16. If you were considering applying for a JJO position, what would be the ideal time in your career/life-stage to make such a change?
- 17. Other points you would like to make?

¹ This question applies to solicitors only.

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

In-house Legal Professional and Legal Academics Interview Guide

Introduction

Thank you for accepting this invite to participate in an interview.

The Standing Committee on Judicial Salaries and Conditions of Service has engaged Willis Towers Watson to conduct the 2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. As part of the survey exercise, Willis Towers Watson is conducting a number of qualitative interviews with practitioners in private practice in order to better understand perceptions towards a career in the Judiciary in Hong Kong. We expect these interviews to last thirty minutes to an hour.

Willis Towers Watson complies with a series of protocols in conducting surveys to protect personal privacy. Your response will be held by Willis Towers Watson in strict confidence. No individual information shall be shared to any third parties. The outcomes of each interview will be presented in an aggregated way to further ensure the protection of personal opinions.

Remunerations as In-house Practitioners and Legal Academics

- 1. Please describe your current professional status (Chief Legal Counsel, Legal Counsel, Law professor), and total years of experiences in relevant technical areas.
- 2. How would you describe your earnings/remunerations in Hong Kong in 2019/20 (in the financial year of 1st April 2019 to 31st March 2020) relative to those from 2014/15 (1st April 2014 to 31st March 2015), and what were the driving factors causing those variations, if any?
- 3. How would you compare the remuneration of an in-house legal professional in Hong Kong relative to that of JJOs??
- 4. Has the COVID-19 Pandemic adversely impacted your earnings in 2019/20? If so, what would you estimate the impact to be from a percentage loss perspective?
- 5. Do you expect the pandemic to impact your 2020/21 earnings, and if so by how much, in comparison to 2019/20?

Serving in the Judiciary

- 6. What competencies (technical and/or behavioral) do you think are pivotal in serving in the Judiciary in Hong Kong? How have these changed over the recent years, perhaps in light of recent social and economic changes?
- 7. What are the primary drivers that make serving in the Judiciary attractive and how have those changed over the years, e.g., contribution to the development of the law, job security, natural career progression, competitive pension scheme and other benefits, practising law directly, reduction of workload and pressure, compared with in-house practice, respected social status, serving the community?
- 8. What are the primary factors that make serving in the Judiciary <u>less</u> attractive and have those changed over the years, e.g., cutting down of social ties, inflexibility in working arrangements, reduction of earnings / remuneration, restrictions in returning to private practice?
- 9. Why do you think there are fewer candidates interested in entering the Judiciary in Hong Kong?
- 10. In your understanding, whether the prevailing conditions in the community from 2019 to 2020 have affected the legal practitioners' willingness in joining the bench?
- 11. Do you think academic lawyers can be a good fit for role of a judge, and why?
- 12. How would you define the profile of the person that should be "targeted" for this career transition?
- 13. How could this career move be made more attractive, and thus attract more qualified candidates?
- 14. Do you believe this "issue" (i.e. fewer interests in serving in the Judiciary) is unique to Hong Kong or do you believe other similar jurisdictions are facing this same issue?
- 15. Are you interested in serving as Magistrate/judges, in particular at level of Judges of the Court of First Instance of the High Court ("CFI Judge"), any condition you would place on to serve as one? How much of a reduction in earnings/remuneration would you be willing to accept a full-time appointment on the Bench?
- 16. If you were considering applying for a JJO position, what would be the ideal time in your career/life-stage to make such a change?
- 17. Other points you would like to make?

Annex VII: Interview Guides for the Overseas Study

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Interview Guide for Overseas Legal Practitioners

Introduction

Thank you for accepting this invite to participate in an interview.

Towers Watson Hong Kong Limited ("Willis Towers Watson") has been appointed to conduct a benchmark study of the overall attractiveness of a career in the Judiciary in some common law jurisdictions, namely Australia, Canada, New Zealand, Singapore, the United Kingdom and the United States. As part of this study, Willis Towers Watson is conducting a number of qualitative interviews with practitioners in private practice in order to better understand perceptions towards a career in the Judiciary in these jurisdictions. We expect these interviews to last thirty minutes to an hour.

Willis Towers Watson complies with a series of protocols in conducting surveys to protect personal privacy. Your response will be held by Willis Towers Watson in strict confidence. No individual information shall be shared to any third parties. The outcomes of each interview will be presented in an aggregated way to further ensure the protection of personal opinions.

Serving in the Judiciary

- 1. Please describe your current professional status (Judge and Judicial Officer, Barrister, Solicitor, In-house Legal Practitioner, Academic Lawyer), and how many years you have been practising law.
- 2. To your knowledge, are there any significant structural and/or constitutional changes made to judicial officers' career management and pay that enhance the recruitment and retention of judges?
- 3. In your opinion, what are the key reasons that might encourage professionals to move to a role on the Bench, and how have those changed over the years in your jurisdiction, e.g., contribution to the development of the law, job security, natural career progressions, competitive pension scheme and other benefits, practising law directly, reduction of workload and pressure (compared with private practice), respected social status, serving the community?
- 4. In your opinion, what are the primary factors that make serving in the Judiciary <u>less</u> attractive and have those changed over the years, e.g., cutting down of social ties, inflexibility in working arrangement, reduction of earnings / remunerations, restrictions in returning to private practice?

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Annex VIII: Letters to Barristers/Solicitors/Law Firms/Public Bodies and Major Corporations

Letter to Barristers

WillisTowers Watson III"III

17th Floor, Lee Garden Three 1 Sunning Road Causeway Bay Hong Kong

[To insert date]

Dear Sir/ Madam,

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Towers Watson Hong Kong Limited ("Willis Towers Watson Hong Kong") has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is a pivotal study and is supported by the Hong Kong Bar Association and the Law Society of Hong Kong. A letter from Professor Wong Yuk-shan, the Chairman of the Judicial Committee, and a letter from the Chairman of the Hong Kong Bar Association are attached, explaining the importance of the survey and appealing for your support of the survey.

We would appreciate if you would complete the enclosed simple questionnaire and return the questionnaire to us by [*to insert date*] by –

- post with the return envelope;
- fax (+852 2195 5600);
- email (<u>WTW.HongKong.Data@willistowerswatson.com</u>); <u>or</u>
- via the online platform (a dedicated survey link has been sent to your email).

You are requested to submit the questionnaire **once only**.

The survey is conducted on an anonymous basis. The data collected will always <u>be kept in the strictest</u> <u>confidence</u> and under safe custody by Willis Towers Watson. The data will be used solely for the purpose of this survey and for Willis Towers Watson's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form. Willis Towers Watson will not report results in any way that would permit identification of any participants. Individual data will not be disclosed to any third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Brooke Liu (<u>brooke.liu@willistowerswatson.com</u>) or Jasmine Pang (jasmine.pang@willistowerswatson.com) by email or call our hotline at +852 2195 5798.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,

Clare Muhiudeen Managing Director

Willis Towers Watson

Letter to Solicitors

WillisTowers Watson III"III

17th Floor, Lee Garden Three 1 Sunning Road Causeway Bay Hong Kong

[To insert date]

Dear Sir/ Madam,

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Towers Watson Hong Kong Limited ("Willis Towers Watson Hong Kong") has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is a pivotal study and is supported by the Hong Kong Bar Association and the Law Society of Hong Kong. A letter from Professor Wong Yuk-shan, the Chairman of the Judicial Committee, and a letter from the President of the Law Society of Hong Kong are attached, explaining the importance of the survey and appealing for your support of the survey.

We would appreciate if you would complete the enclosed simple questionnaire and return the questionnaire to us by [*to insert date*] by –

- post with the return envelope;
- fax (+852 2195 5600);
- email (<u>WTW.HongKong.Data@willistowerswatson.com</u>); or
- via the online platform (a dedicated survey link has been sent to your email).

You are requested to submit the questionnaire **once only**.

The survey is conducted on an anonymous basis. The data collected will always be kept in the strictest confidence and under safe custody by Willis Towers Watson. The data will be used solely for the purpose of this survey and for Willis Towers Watson's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form. Willis Towers Watson will not report results in any way that would permit identification of any participants. Individual data will not be disclosed to any third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

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Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,

Clare Muhiudeen Managing Director

Willis Towers Watson

Letter to Law Firms

WillisTowers Watson III"III

17th Floor, Lee Garden Three 1 Sunning Road Causeway Bay Hong Kong

[To insert date]

Dear Sir/ Madam,

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Towers Watson Hong Kong Limited ("Willis Towers Watson Hong Kong") has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is a pivotal study and is supported by the Law Society of Hong Kong and the Hong Kong Bar Association.

We would appreciate if you would distribute a data collection package with the following to the practicing solicitors in your firm and encourage them to fill in the questionnaire and return the questionnaire to us by [*to insert date*] by –

- post with the return envelope;
- fax (+852 2195 5600);
- email (<u>WTW.HongKong.Data@willistowerswatson.com</u>); or
- via the online platform (a dedicated survey link has been sent to each solicitor separately).

The Law Society of Hong Kong has separately appealed for their members' support to this study. If the solicitors or solicitor advocates have responded by filling out the online survey questionnaire, you are kindly requested to remind them not to resubmit their responses again.

The survey is conducted on an anonymous basis. The data collected will always be kept in the strictest confidence and under safe custody by Willis Towers Watson. The data will be used solely for the purpose of this survey and for Willis Towers Watson's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form. Willis Towers Watson will not report results in any way that would permit identification of any participants. Individual data will not be disclosed to any third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Brooke Liu (<u>brooke.liu@willistowerswatson.com</u>) or Jasmine Pang (<u>jasmine.pang@willistowerswatson.com</u>) by email or call our hotline at +852 2195 5798.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,

Clare Muhiudeen Managing Director Willis Towers Watson

Letter to Public Bodies/Major Corporations

WillisTowers Watson III"III

17th Floor, Lee Garden Three 1 Sunning Road Causeway Bay Hong Kong

[To insert date]

Dear Sir/Madam,

2020 Benchmark Study on the Earnings of Legal Practitioners in Hong Kong

Willis Towers Watson has been appointed by the Standing Committee on Judicial Salaries and Conditions of Service (Judicial Committee) to conduct a Benchmark Study on the Earnings of Legal Practitioners in Hong Kong. It is a pivotal study and is supported by the Law Society of Hong Kong and the Hong Kong Bar Association. A letter from Professor Wong Yuk-shan, the Chairman of the Judicial Committee, is attached, explaining the importance of the survey and appealing for your organisation's support of the study.

We would appreciate if you would participate in this study by completing the enclosed simple questionnaire for the legal practitioners serving as in-house lawyers in your organisation who possess 5 years or more post-qualification experience in private practice as solicitors or barristers by [*to insert date*].

The Law Society of Hong Kong and the Hong Kong Bar Association have separately appealed for their members' support to this study. If the in-house lawyer has responded individually, you are kindly requested not to provide information concerning this in-house lawyer.

There are two forms of questionnaire, an PDF file or an EXCEL file containing the same set of questions, please fill out either one that you believe convenient.

The survey is conducted on an anonymous basis. The data collected will always be kept in the strictest confidence and under safe custody by Willis Towers Watson. The data will be used solely for the purpose of this survey and for Willis Towers Watson's internal use only. Personal data will be handled in strict compliance with the provisions of the Personal Data (Privacy) Ordinance. In reporting, all participants and data are presented in a non-attributable form to preserve the anonymity of the participating organisations. Willis Towers Watson will not report results in any way that would permit identification of a participating company's practices. Individual company data will not be disclosed to third-party, including the Judicial Committee. Raw data will be destroyed 6 months after the final report has been published.

If you have any questions about this survey, please do not hesitate to contact Brooke Liu (<u>brooke.liu@willistowerswatson.com</u>) or Jasmine Pang (jasmine.pang@willistowerswatson.com) by email or call our hotline at +852 2195 5798.

Your support is vital to the success of this study. We would like to thank you for your support.

Yours sincerely,

Clare Muhiudeen Managing Director

Willis Towers Watson

- End of Survey Report -

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com