

The Law Society of Hong Kong's

InnoTech Law Hub

Program for Legal Practice Innovation

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The Law Society of Hong Kong  
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## Legal Industry

- The legal industry plays two key roles in society:
  - A. the provision of quality legal services, and
  - B. enhancement of the socio-economic and political framework through its participation in the maintenance of the rule of law in every facet of life in Hong Kong SAR

## Legal Industry (cont'd)

- Professional ethics and client expectations:

1. Trust, fidelity, loyalty

5. Compliance

2. Authentication

6. Transparency

3. Fairness

7. Ethical standards

4. Access to Justice

8. Advisory competence

## A New Paradigm for Existence

- This a new era of human existence where the only constant is that of rapid change in every aspect of human existence
- The people of China have experienced this rate of change more than any other nation because it has effectively rocketed from rural era to age of innovation version 4.0 in less than 40 years
- Chinese and English are official languages in Hong Kong SAR

## A New Paradigm for Existence (cont'd)

- There is a new paradigm for human existence with the expectations of Z Gen expectations being an added factor in the equation of change
- Are we seeing the emergence of the GREEN OR TURQUOISE values (Spiral Dynamics)? in Hong Kong. If so, how do lawyers adapt?
- What will drive disruption in the legal services industry?
- Innovation and connectivity are the new paradigms of our era
- Lawyers and the legal industry must adapt

# Pain Points for Clients

- Complexity of Laws
- Compliance issues
- Data Privacy, Equality, social responsibility
- Multi jurisdictional contracts
- Size of contracts / Size of deals
- Speed of contracts
- Increasingly litigious
- Costs
- Business never sleeps
- Clients always traveling, time zones
- Speed
- Complexity of deals / issues

## Pain Points for Lawyers

- Compliance issues, Conflicts/KYC/AML
- Data Privacy, Equality, social responsibility
- Cost of maintaining firm size
- Cost of manpower/ cost of supervision
- Overhead expenses
- Cost of continuous education and delivery of service, effect on family
- Multi jurisdictional contracts, size, nature
- Complexity of deals
- Speed of contracts
- Cost of providing speedy service
- 24/7 service, time zones

## Pain Points for Lawyers (cont'd)

- Language
- Translations / interpretation
- Absorption of costs in corrections
- Handling data/ documents/ electronic records
- Repetitive tasks
- Collaboration
- Communication
- Data management
- Lag between law and technological advances
- Will humans be legally responsible? (Smart contracts)
- Every transaction gives rise to legal rights and obligations/ conflict of laws



# Law Tech Solutions Required

- Locating a lawyer near a client
- Conflict / KYC / compliance
- Client onboarding/Retainer / Data Privacy
- Client / Third party communication
- Research facts
- Document creation / Automation
- Research law
- Collaboration / Communication
- Document search
- Contract review / Comparison
- Escrow accounts
- Execution

## Law Tech Solutions Required (cont'd)

- Sorting, handling analyzing unstructured data
- Analysis of documentation/ data in litigious process
- Analysis of data in commercial matters
- Contract automation
- Smart contracts
- AI
- The unknown unknown

# Law Firm Management

- IT Management-Infrastructure
- Licensing information
- Data and document management
- Security and Compliance
- Legal research
- People management
- Service management
- Timing and billing
- Education and training
- Regulatory compliance for law firms and clients

# Law Firm Innovation

- IT Infrastructure
- Curated tools
- IP/Managing subscriptions
- Measuring cost of infrastructure
- Measuring cost of providing legal services on each case
- Supervision of lawyers and support staff (telemetry)
- Law firms disrupting the traditional structure

# InnoTech Committee: Members

- Amirali Nasir (Chairman)
- Nick Chan (Vice Chairman)
- Alan Chiu
- Grace Ho
- Sebastian Ko
- Philip Kwok
- William Lam
- Monique Lee
- Steven K. Lee
- Pang Kam Wing
- Jolene Reimerson
- Charles To
- Alice Tsui
- Henry Yu

# InnoTech Law Hub (ILH) Team

## Working Group

- Sebastian Ko (Chair)
- Alan Chiu
- Philip Kwok
- Amy Lee
- Monique Lee
- Charles To
- Alice Tsui

## InnoTech Committee (ITC)

### Leadership

- Amirali Nasir, Law Society Vice-President & ITC Chairman
- Nick Chan, ITC Vice-Chairman

## Secretariat Members

- Wendy Lee, DMS
- Robert Chan, ADMS
- Christine Choy

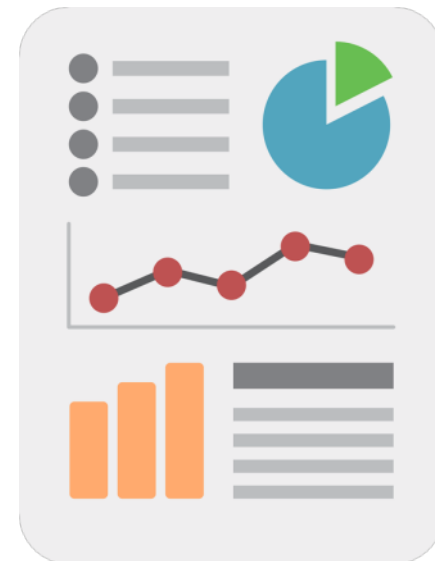
# Building on Past Efforts



- Roadmap development
- 2 hackathons (access to justice and Belt & Road themes, respectively)
- CPD seminars and tech workshops (e.g. showcase on Apps)
- Corporate and community visits (e.g. Innovation & Tech. Bureau, HSBC.)

# Project Scope

- Implement the “Technology Roadmap” of the Law Society
- Build a community of legal innovators and champions
- Training and sharing know-how: find common challenges and solutions
- Identify and engage leader, decision-maker, project manager and user groups
- Advise on product development and other aspects of the Technology Roadmap
- Organize activities supporting the above





# Drivers for the Project

- Tech-enabled **disruptions** to legal profession expected (3-5 years)
  - Impacts delivery of legal services
  - Impacts access to justice
- Doing innovation well is **hard**
  - Ambitious vision and high risk tolerance
  - Tone from the top
  - Whole organization's commitment
  - Long-term investment
  - Cross-disciplinary fluency
- Critical **systemic** responses needed as well as from firms and individuals

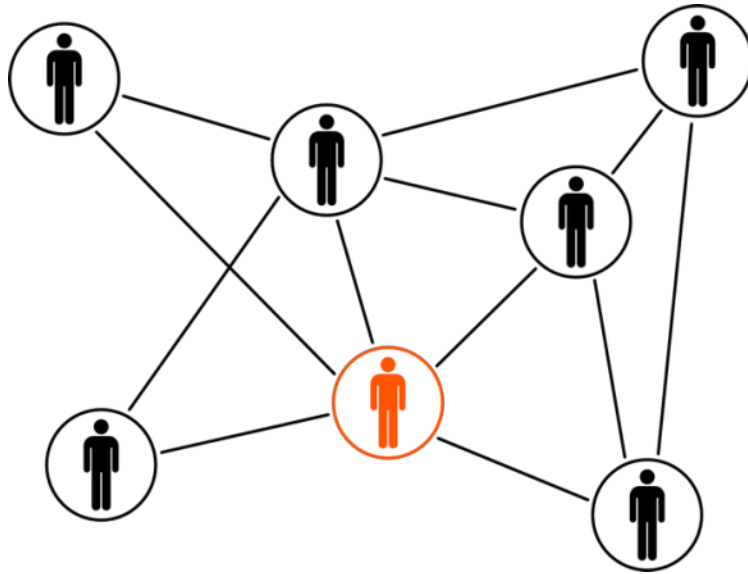




## The Legal Tech Market Map

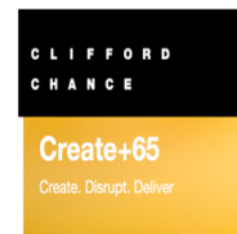


# Stakeholder Groups

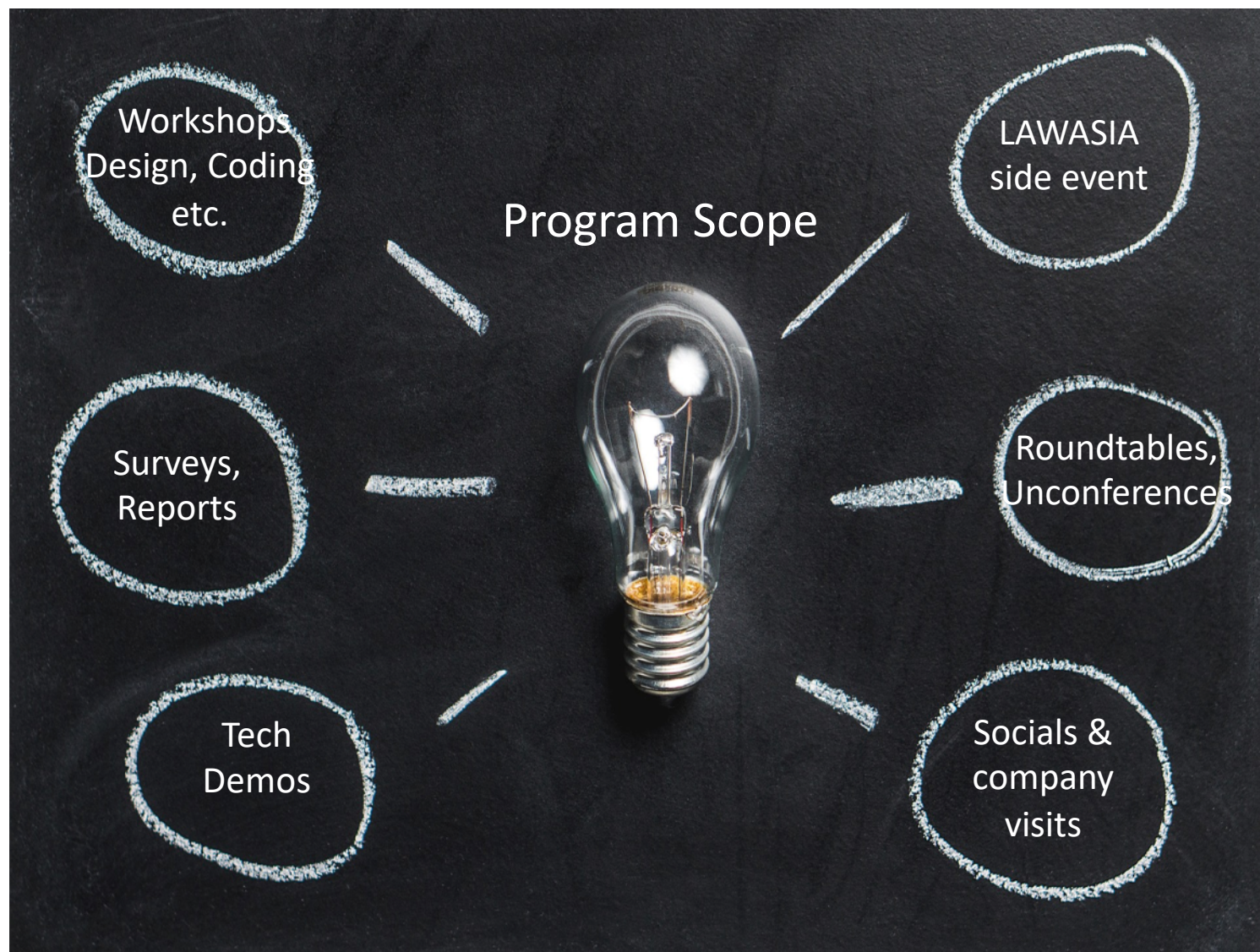


- Expert panel of advisors for ILH (mix of decision-makers and doers)
- Strategic partners to ILH: Public & private sectors
- Thought leaders in HK, Mainland & overseas
- Practice area specialists
- Young lawyers, trainees & students
- Technologists and vendors

# Overseas Initiatives



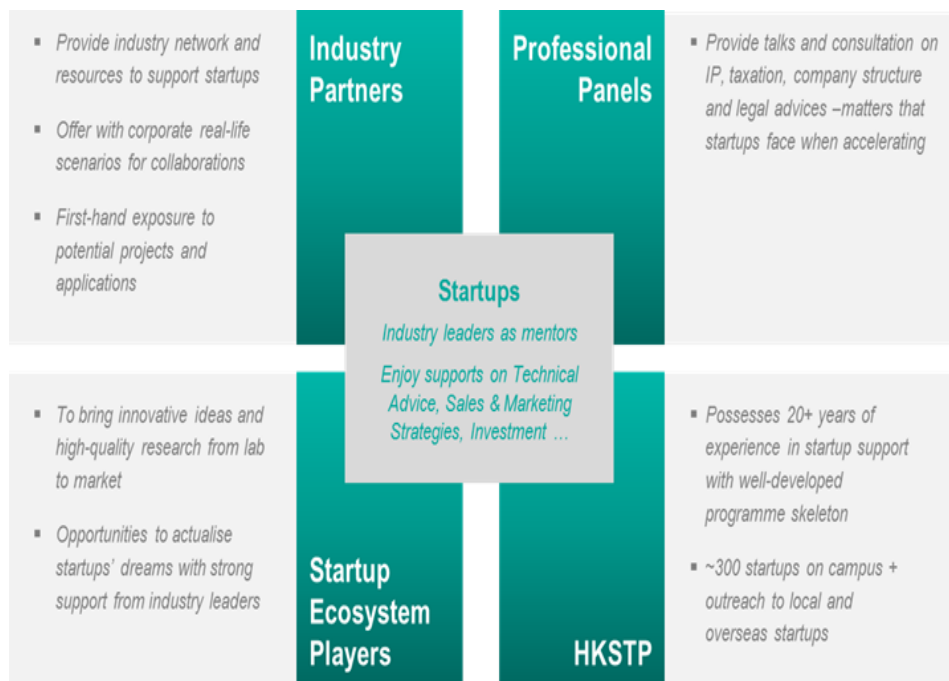




# Current Commitments



GLOBAL ACCELERATION ACADEMY



- Budgets for the Roadmap and the InnoTech Law Hub
- Partner with HKSTP GAA and advise on product development
- Community outreach and strategic partnerships
- Community manager and other headcounts
- Hot desks at HKSTP and Cyberport

# Product Development

## Framework

- Share production & solution ideas for internal discussion
- Set criteria for evaluating product & solution ideas before deciding on which ones to recommend to implement the Technology Roadmap
- See online form “Product Idea Box” for submission of ideas:

<https://docs.google.com/forms/d/e/1FAIpQLScNIFrXHi-zKJqZUaAS91U-pWMmBpkqTmMTO20Is9jjUYQ9IQ/viewform?fbzx=8427753701644452013>

### Threshold criteria \*

To be adopted by the InnoTech Law Hub, the proposed solution should meet a majority of the threshold criteria below. Please check one or more applicable boxes to confirm that the solution:

- ☐ Is either served by no existing product on the market or a product exists but is not accessible by Members
- ☐ Directly or closely relates to the delivery of legal services.
- ☐ Addresses one or more significant problems currently facing Members.
- ☐ Is appropriate for the Law Society to provide (e.g. by commissioning or co-developing with external parties, white-labelling existing products etc.)

# 2019-20 Planning



## 2019, Q2

- 1x roundtable & workshop
- Website, social media set up
- Marketing and events plans

## 2019, Q3

- Priority setting
- Form core partner groups
- 3-4 small events (workshops, socials etc.)

## 2019, Q4

- GAA underway (from end of Q3)
- Innovation Summit
- Product roadmap

## 2020

- End of pilot phase (by 2020, Q2)
- Set regular program



## Summary

- Develop innovation agenda (consulting profession-wide)
  - The Future Lawyer
  - Smart Law Firms
  - LegalTech & Innovation
- Design and implement practical solutions: Product development; partnership with GAA etc.
- Build community of decision-makers, managers and users



## White papers on DLT

- White Paper on Distributed ledger Technology 11 November 2016
- White Paper 2.0 on Distributed ledger Technology 25 October 2017

## Electronic Transactions Ordinance Chapter 553

- Many of the provisions allow implementation of ICT
- Many provisions require amendments to facilitate further development of ICT

Thank You  
Have a Great Day

