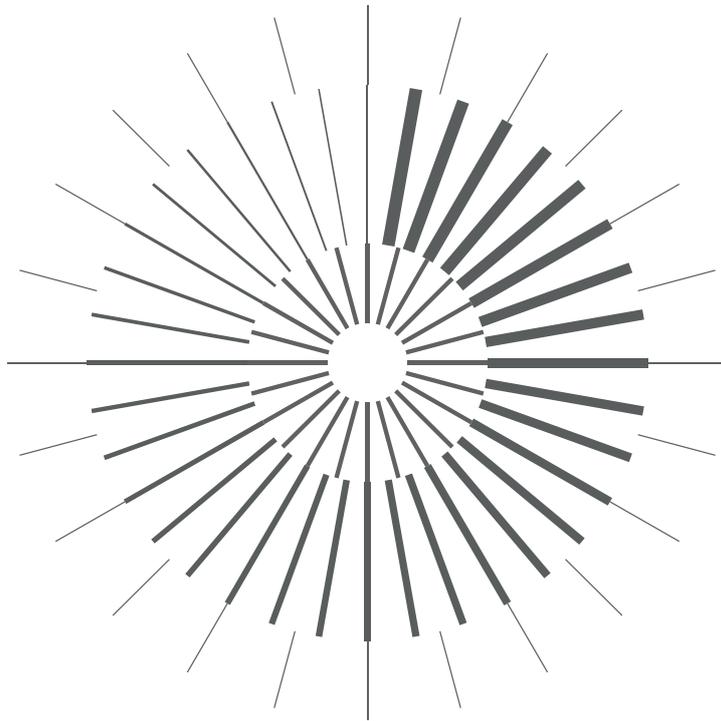
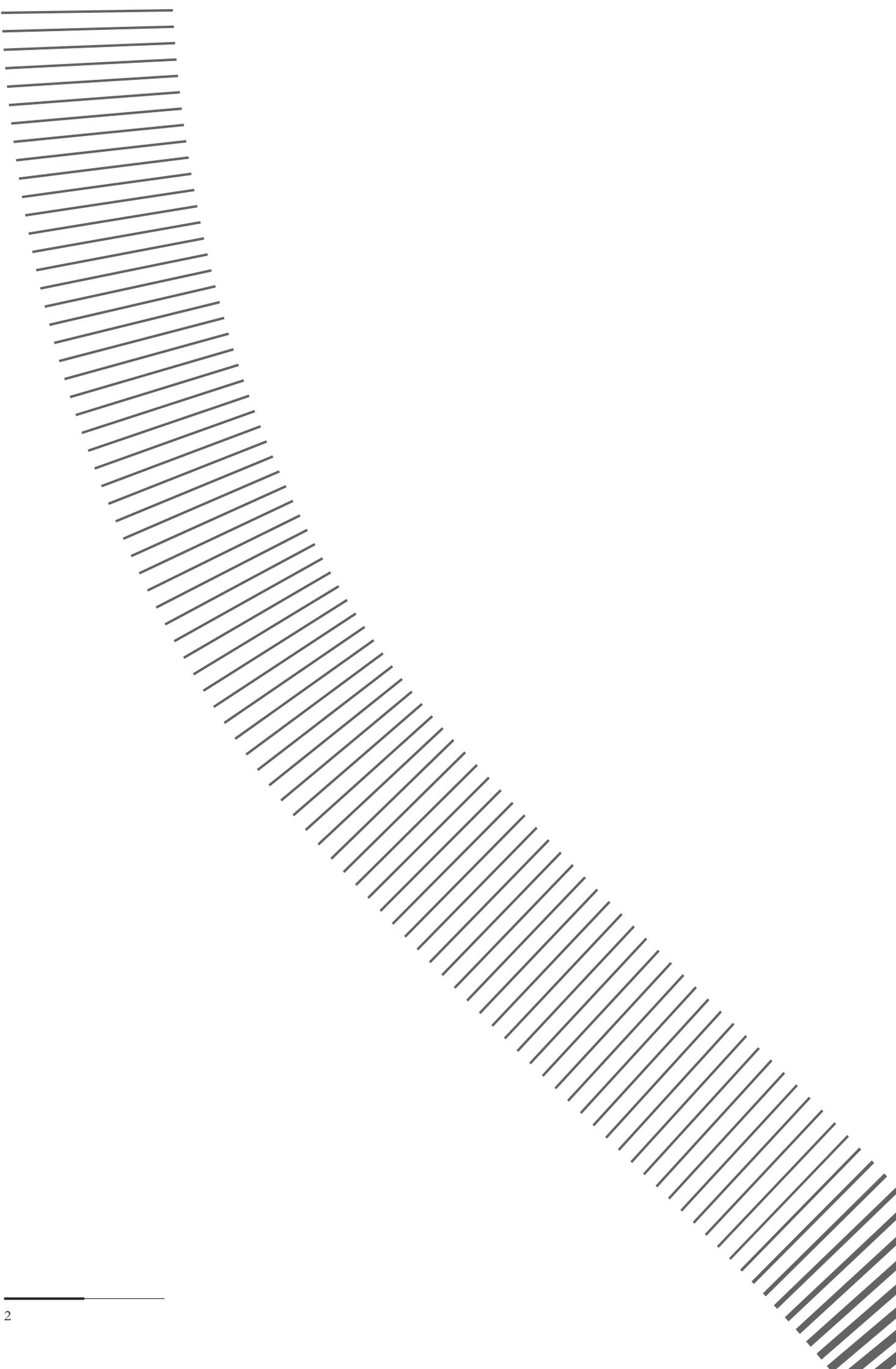


Guide to becoming a self-employed lawyer in Hong Kong



Peerpoint.

by ALLEN & OVERY



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● Legal consulting – a new way of working

Most lawyers are familiar, and most comfortable, with being employed, whether at a law firm or in-house. As the legal profession continues to undergo change, more flexible career possibilities have started to emerge.

One of the most popular options is to become a consultant – also variously known as being self-employed, freelance or a contractor – and although it is relatively new to many lawyers, it is a very familiar and popular approach for professionals in other sectors, including accountancy, engineering, and IT.

Although it is not right for everyone, it is an approach which offers individuals a great deal more control and flexibility than is often possible within a traditional employment relationship. There are a variety of reasons you might wish to become self-employed and the Peerpoint structure is designed to help you achieve those goals whilst still giving you high-quality work.

As a Peerpoint consultant, you will become one of this emerging new breed of lawyers. So what does it mean in reality, and how do you go about becoming self-employed? It really is easier than you might expect!

This guide is intended to give some insight into self-employment in Hong Kong, and an indication of what is involved and how to go about it. It is not an exhaustive guide and does not constitute formal advice from Allen & Overy or Peerpoint. There are numerous sources of information available online and you should consider seeking independent advice.

Finally, many of our consultants are happy to share their experiences both of setting up their Personal Services Company and working as a Peerpoint lawyer. We have Peerpoint lawyers working in a variety of ways and for a mixture of personal circumstances; if you would like to arrange a confidential chat with one of them, please speak to a member of the Peerpoint team.



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The basics of self-employment

Peerpoint legal consultants are self-employed. Rather than being employed by Allen & Overy or Peerpoint you will set up and work for your own Personal Services Company (PSC)

In Hong Kong, this is a simple limited company which you own and run. It is your company which will enter into contracts on your behalf, issue invoices to clients, including Peerpoint, and be responsible for your remuneration.

Of course, there is more to it than simply setting up a PSC. It is important that you understand and are comfortable with self-employment. For example:

- Your PSC will be responsible for all your employment rights, including paid leave, Mandatory Provident Fund contribution and other benefits.
- You, through your PSC, will normally be paid an hourly, daily or monthly rate by your clients, including Peerpoint, which will appear to be higher than an equivalent employed lawyer's rate. This reflects the cost of your PSC doing business. It will need to provide relevant benefits in addition to covering the costs of running the PSC itself. Your PSC will be paid gross of any tax and it will be entirely your decision how to structure your payments and to ensure that all taxes are paid correctly.
- As a self-employed consultant, you are not obliged to work exclusively for one client. You will also have no guarantee of work from your clients and conversely, you have no obligation to take on work that is offered – this is part of the benefit of being a consultant. We at Peerpoint will have an honest discussion with you about likely volumes of work so that you can be clear where you stand.
- In Hong Kong, the Law Society requires solicitors to be exclusive to one law firm. We will therefore pay for, and assist you in obtaining, your Practising Certificate. You cannot, therefore, take on any work for other law firms. However, subject to conflicts requirements, you will be able to work directly for other clients or for other entities, such as a family business or a non-legal enterprise.

There are many sources of information online for those considering becoming a consultant. Please read on for more details about the practicalities of setting up and running your own PSC.

Peerpoint from Allen & Overy

Peerpoint is Allen & Overy's global platform for self-directed consultant lawyers, who want access to quality work, clients and resources.

Allen & Overy developed Peerpoint to:

Provide an alternative career path for exceptional lawyers wanting flexibility and control in the manner in which they work.

Provide a quality solution to meet clients' higher value resourcing needs.

Augment the firm's permanent workforce at times of high demand.

For lawyers, Peerpoint offers the opportunity to work at the pinnacle of our profession, backed by one of the world's foremost international legal practices, with access to all the relevant training, market-leading know-how and insurance. We know that, while your career is important, so too is having the time and space for other things in your life. You might have found that the old ways of working in our industry can sometimes be unworkable. Peerpoint was created to help talented lawyers like you find that balance.

For our clients, Peerpoint offers a flexible way of accessing the services of top-calibre lawyers for projects or other interim roles, supported by one of the world's leading international law firms. We are working with some of the world's leading companies to build a business that meets their fast-evolving needs.

For more details about Peerpoint, including profiles of some of our talented consultants, go to: peerpoint.com

Peerpoint in Hong Kong

In Asia, lawyers are used to being flexible and adaptable. Peerpoint will be used to fulfil demand across the region.

Lawyers who work in the Asia Pacific region are used to working in different locations. Much of the work that we and our clients do involves jurisdictions in which we do not have a presence on the ground. Peerpoint in Hong Kong is part of Allen & Overy's response to client demand in the region.

Setting up and running a PSC

When to set up your PSC

You must have your PSC in place before entering into a contract with Peerpoint and starting an assignment, but it can be quick (within one week) to arrange so you can avoid incurring ongoing costs before earning an income as a consultant. The sections below outline the key steps to setting up a PSC. Most steps are surprisingly simple and fast.

Help with your PSC

It is possible to set up and manage your own PSC, however, most consultants prefer to appoint someone to assist them. There are many companies who can assist in the establishment of your company and the ongoing requirements, such as business registration. It is our recommendation that you consider appointing a company to help you. We can put you in touch with the companies used by other consultants.

Setting up the company

This is the incorporation of your own limited company, of which you will appoint yourself as director and shareholder. The most straightforward and cheapest option is to buy an existing company. You can choose the company with the most appealing name. It is possible to change the name, although this involves a charge. As a lawyer, you will be aware that, in the eyes of the law, the company has a life of its own. For example, it will actually be the company that enters into contracts and not you. In most cases, it will also be the company that is responsible for its debts, should there be any. You will have 'limited liability', which means, in practice, that your personal assets are protected. Your accountant or tax adviser will advise you on running your company in the most tax-efficient manner for your circumstances.

Company Secretary and Registered offices

It is a legal requirement to have both a registered office (which cannot be a PO box) and a Company Secretary. Whilst it is possible to fulfill the Company Secretary role yourself, the companies who can assist in the setting up of PSCs also offer company secretarial services and the provision of a registered address.

Profits tax and accounts

Your PSC will be required to produce audited accounts. If it makes a profit, it will be liable for profits tax. The companies which assist in the creation of the PSC will be able to recommend Certified Public Accountants to help you with this. They can also help you set up a business bank account, which you will need.

MPF

You will need to make sure that you and your PSC discharge your obligations in relation to the Mandatory Provident Fund contributions. We recommend that you seek specialist advice in this regard.

Disguised employment

Peerpoint does not engage consultants to disguise employment at Allen & Overy or with our clients. The nature of any engagement, your working practices, and the level of choice and control that you have around whether to take on assignments for Allen & Overy are different from those of employees. The rate of pay you are offered reflects the costs of you doing business on your own account. The daily rate is higher than that of an Allen & Overy employee precisely because you will have to provide your own benefits and there are costs in setting up and running your own company. If you wish to be an employee of Allen & Overy you should apply through the usual recruitment channels.

Insurances

While working with Peerpoint (whether working directly with Allen & Overy or on its behalf, with a client), you will be covered by the Allen & Overy professional indemnity insurance scheme, subject to the terms and conditions of the scheme. Note that you will only be covered for work that you undertake on behalf of Peerpoint or Allen & Overy. You will not be covered for work undertaken for other clients on your own account and you should consider whether you need to take out a separate policy for that work.

What next?

The Peerpoint team can provide general guidance on setting up and running your PSC. Additionally, many of our consultants are happy to share their experiences. If you have further questions, do contact a member of our team.



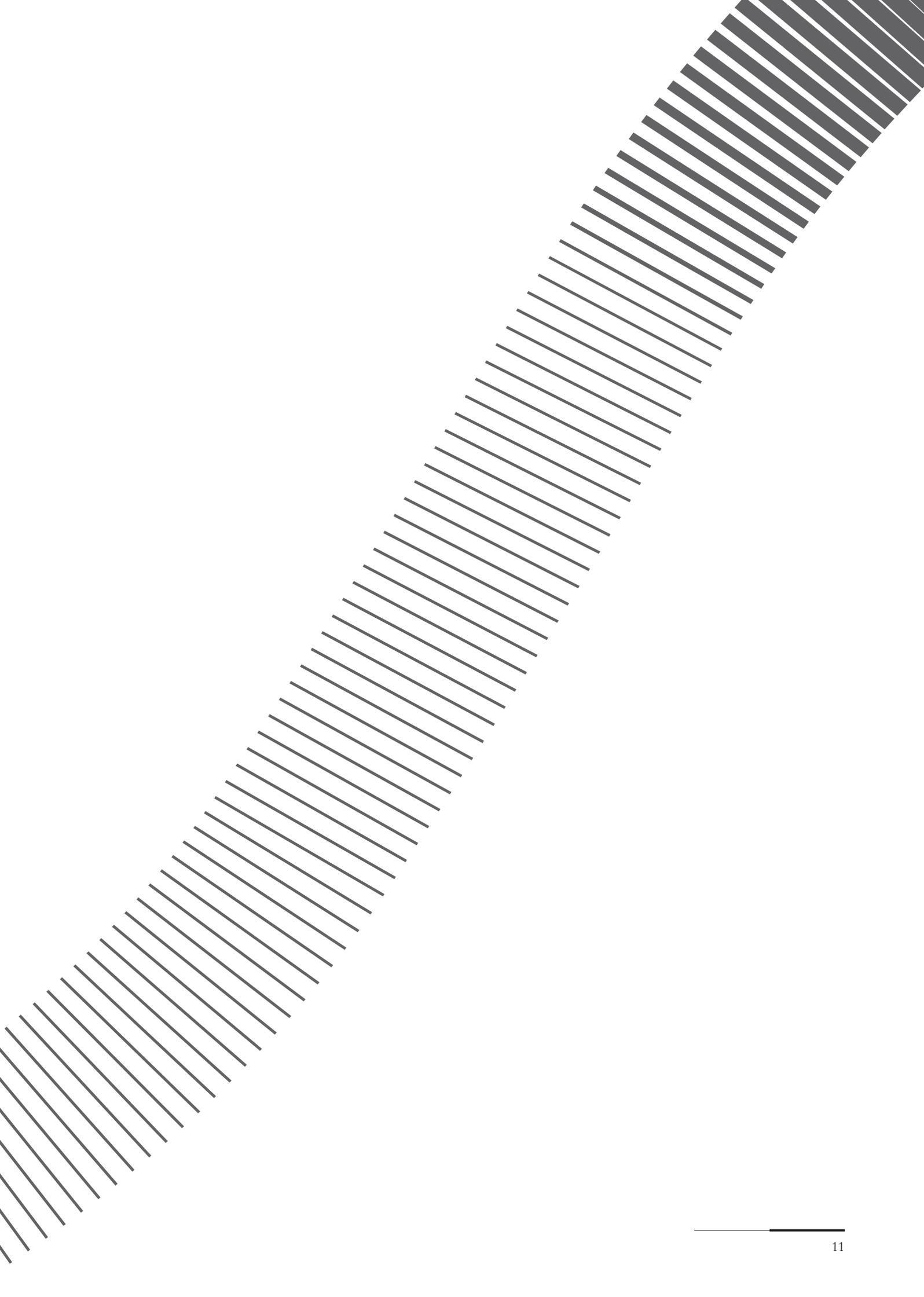
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GLOBAL PRESENCE

Allen & Overy is an international legal practice with approximately 5,400 people, including some 554 partners, working in 44 offices worldwide. Allen & Overy LLP or an affiliated undertaking has an office in each of:

Abu Dhabi	Bucharest (associated office)	Ho Chi Minh City	Moscow	Seoul
Amsterdam	Budapest	Hong Kong	Munich	Shanghai
Antwerp	Casablanca	Istanbul	New York	Singapore
Bangkok	Doha	Jakarta (associated office)	Paris	Sydney
Barcelona	Dubai	Johannesburg	Perth	Tokyo
Beijing	Düsseldorf	London	Prague	Warsaw
Belfast	Frankfurt	Luxembourg	Riyadh (cooperation office)	Washington, D.C.
Bratislava	Hamburg	Madrid	Rome	Yangon
Brussels	Hanoi	Milan	São Paulo	

Allen & Overy means Allen & Overy LLP and/or its affiliated undertakings. The term **partner** is used to refer to a member of Allen & Overy LLP or an employee or consultant with equivalent standing and qualifications or an individual with equivalent status in one of Allen & Overy LLP's affiliated undertakings.

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