

LC: Opening remarks by CS for proposed resolution under District Court Ordinance and Small Claims Tribunal Ordinance

Following is the opening remarks (translated from Chinese) made by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, for the proposed resolution under the District Court Ordinance (Cap. 336) and the Small Claims Tribunal Ordinance (Cap. 338) in the Legislative Council today (June 27):

President,

I move that the first motion under my name as printed on the Agenda be passed to increase the civil jurisdictional limits of the District Court (DC). I will also shortly be moving the second motion under my name as printed on the Agenda be passed to increase the civil jurisdictional limit of the Small Claims Tribunal (SCT).

In 2015-16, the Judiciary conducted a review of the civil jurisdictional limits of DC and SCT. Having analysed the impact of increasing the limits on the workload of the court and the tribunal concerned, changes in economic indicators and views of the stakeholders, the Judiciary proposed increasing the general financial limit of the civil jurisdiction of DC from \$1 million to \$3 million. As regards the limit for proceedings involving recovery of land or relating to the title to an interest in land, the Judiciary proposed increasing it from \$240,000 to \$320,000 in terms of the annual rent, rateable value or annual value of the land.

For the equity jurisdiction of DC, the Judiciary proposed increasing the limit from \$1 million to \$3 million where the proceedings do not involve land, and from \$3 million to \$7 million where the proceedings involve land. Besides, the Judiciary proposed increasing the civil jurisdictional limit of SCT from \$50,000 to \$75,000.

The Judiciary considered that the proposals above would allow better distribution of cases among the Court of First Instance (CFI), DC and SCT. They would help ease the pressure of the increasing caseload of civil cases on CFI, and enable it to concentrate on handling cases of higher claim amounts and greater complexity in nature. In addition, the proposals would also help lower legal costs, thereby enhancing access to justice for the public. The Judiciary has consulted the Hong Kong Bar Association, the Law Society of Hong Kong and the Panel on Administration of Justice and Legal Services of the Legislative Council (LegCo) on the above proposals, and obtained their general support.

To cope with the increase in caseload at DC and SCT after the adjustments of the civil jurisdictional limits, the Judiciary, having carefully assessed the resource requirements, has made available additional court facilities at the court and the tribunal. The Government has also provided the Judiciary with the financial resources for meeting in full the manpower needs. In particular, the Judiciary's proposal for the creation of new Judge and Judicial Officer posts was approved by the LegCo Finance Committee in December last year. The Judiciary will endeavour to ensure smooth operation of DC and SCT, and continue to provide reliable services to court users after the adjustments of the jurisdictional limits.

This proposed resolution, together with another resolution concerning the increase of the jurisdictional limit of SCT, have been scrutinised by the Subcommittee on Proposed Resolutions under the District Court Ordinance and the Small Claims Tribunal Ordinance (Subcommittee). The Subcommittee held two meetings and supported the Government for moving motions to seek LegCo's endorsement of the two resolutions.

President, during the Subcommittee's scrutiny of the proposed resolutions, LegCo passed the Statute Law (Miscellaneous Provision) Bill 2017, thereby enabling the civil jurisdictional limit of DC for costs-only proceedings to be amended by way of resolution of LegCo as well. We therefore proposed and obtained the Subcommittee's support to include the amendment to the jurisdictional limit of DC for costs-only proceedings in the proposed resolution now placed before Members for approval. I would like to take this opportunity to thank Hon Holden Chow, Chairman of the Subcommittee, and other Members of the Subcommittee for their views and support of the proposed increase of the jurisdictional limits of DC and SCT.

Regarding Hon James To's motion to revise the jurisdictional limit of SCT to \$100,000, as we and the Judiciary explained to the Subcommittee during the scrutiny of the resolution, the current proposal of increasing the jurisdictional limit of SCT to \$75,000 was made after conducting a comprehensive and objective analysis taking into account a host of factors, including the need to enhance access to justice, effect on demand for and operation of SCT's services, changes in economic indicators, etc., as well as the views received during consultation. The proposal had also received general support from stakeholders, including the Hong Kong Bar Association, the Law Society of Hong Kong, as well as the LegCo Panel on Administration of Justice and Legal Services.

I wish to point out in particular that on the basis of the current proposal, the Judiciary had secured additional financial and manpower resources and accommodation, and arranged training for additional staff with a view to enabling SCT to handle the impact arising from the jurisdictional rise. In particular, the proposal of creating additional judicial posts which was approved by the LegCo Finance Committee in December last year was also based on the revised jurisdictional limit of SCT of \$75,000.

Upon careful consideration, the Judiciary considered it inappropriate to adjust the jurisdictional limit of SCT without going through detailed

analysis and comprehensive consultation. Any changes would have an impact on the operation of SCT, and therefore should only be implemented after going through a fresh round of detailed and objective analysis and comprehensive consultation. However, this would take time, and would inevitably delay the implementation of the jurisdictional rise of SCT, and would not be conducive to the public in terms of enhancing access to justice through SCT, nor in the interest of the community as a whole.

After considering the explanation of the Government and the Judiciary, the Subcommittee supported the proposal of raising the jurisdictional limit of SCT to \$75,000.

I invite Members to support this motion to increase the civil jurisdictional limits of DC. Later on, I will move another motion to increase the civil jurisdictional limit of SCT. I invite Members to support the motion proposed by the Government and vote down the amending motion proposed by Hon James To, with a view to implementing the increase of the jurisdictional limit of SCT from \$50,000 to \$75,000 as soon as possible. The Judiciary has pledged to closely monitor the statistics on the caseload of SCT and the actual operational impact for two years upon the implementation of the new jurisdictional limit of SCT of \$75,000, and conduct a review to see if there is a case for further raising the jurisdictional limit of SCT.

Upon the passage of the motions, the Judiciary will make consequential amendments to the Small Claims Tribunal (Fees) Rules (Cap. 338B) and table them at LegCo for scrutiny separately. Subject to the completion of the legislative process, the revised civil jurisdictional limits of DC and SCT, together with the consequential amendments, are expected to come into effect in the second half of 2018 on a date to be appointed by the Chief Justice.

Thank you, President.