

# Implementation Regulations of Jiangsu Province for the Administrative Measures on Fees for Lawyer Services

General Office of Jiangsu Provincial Pricing Bureau

9 January 2007

## [Article 1](#)

These Implementation Regulations are formulated pursuant to the relevant provisions of the *Pricing Law of the People's Republic of China* (hereinafter referred to as the "Pricing Law"), the *Law of the People's Republic of China on Lawyers* (hereinafter referred to as the "Lawyers Law"), the *Administrative Measures on Fees for Lawyer Services* of the National Development and Reform Commission and the Ministry of Justice (hereinafter referred to as the "Measures on Fees for Lawyer Services") for the purposes of regulating lawyer service fees, safeguarding the lawful rights and interests of clients and lawyers and promote proper development of the legal industry.

## [Article 2](#)

These Implementation Regulations shall, pursuant to the Lawyers Law, apply to law firms and their branches established in the Province and practising lawyers in the Province on the collection of legal fees for lawyer services provided.

## [Article 3](#)

The pricing administration authorities (hereinafter referred to as the "pricing authorities") shall be the administration authorities for fees for lawyer services. The judicial administration authorities shall cooperate with the pricing authorities in the administration of fees for lawyer services.

The bar association shall assist law firms to establish and improve on industry self-regulation and self-discipline mechanisms; and regulate the collection of fees by law firms by formulating an industry service convention or standard of conduct.

## [Article 4](#)

Fees for lawyer services shall comply with the principles of transparency, fairness, voluntary participation, compensation, honesty and trustworthiness and fair competition. Law firms shall

establish the requisite procedures and systems for cost accounting and settlement of expenses, employ full-time or part-time staff to handle cost accounting and settlement of expenses, and provide convenient, expeditious and quality lawyer services to the clients by lowering service costs and simplifying fee collection procedures.

[Article 5](#)

Fees for lawyer services shall be based on government-guided prices and market-regulated prices.

[Article 6](#)

Law firms shall charge government-guided prices for provision of the following lawyer services. The benchmark rates and floating range of government-guided prices shall be formulated, announced and implemented by the Provincial Pricing Bureau and the Provincial Judicial Bureau pursuant to the law.

- (1) legal representation for civil litigation cases;
- (2) legal representation for administrative litigation cases;
- (3) legal representation for State compensation cases;
- (4) the provision of legal advice for criminal suspects involved in criminal cases, legal representation for appeals and charges, application for bail, legal representation for defendants as private prosecutor or solicitor, legal representation for victims as litigation agent; and
- (5) legal representation for appeals in various litigation cases.

[Article 7](#)

Other than those services stipulated in Article 6, law firms shall charge market-regulated prices for the provision of lawyer services; clients and law firms shall negotiate and agree on the form of fee collection and fees rates or amounts.

[Article 8](#)

Where a civil case involves a property relationship and the client is informed of the government-guided prices but opts for a contingency fee, the law firm may charge a contingency fee, except under the following circumstances where the case involves:

- (1) marriage and inheritance;
- (2) claims for social security benefits or minimum living standard security benefits;
- (3) claims for alimony, allowance, maintenance expenses, pension, relief, work

injury compensation; and  
(4) claims for payment of labour remuneration, etc.

[Article 9](#)

Charging of contingency fees shall be prohibited for criminal litigation cases, administrative litigation cases, State compensation cases and collective litigation cases.

[Article 10](#)

Fees for lawyer services may be charged on a project basis or a contingency fee basis or on a time-cost basis according to type of service depending on the contents of service, items of service, extent of complexity of the legal matter, time that may be spent to work on the legal matter, etc. The rules on assessment of the extent of complexity of a legal matter shall be formulated, announced and implemented by the Provincial Pricing Bureau and the Provincial Judicial Bureau.

Fees charged on a project basis shall generally apply to legal matters which do not involve a property relationship.

Contingency fees shall apply to legal matters which involve a property relationship.

The time-cost method may apply to all legal matters.

[Article 11](#)

Where the time-cost method is adopted, the fees shall be computed according to the effective working hours spent providing lawyer services to the client and the stipulated hourly rate. Upon negotiation and agreement between both parties, both parties shall enter into a contract for confirmation.

Where there is a need for computation in advance or such computation can be made in advance, the law firm shall notify the client in advance of the estimated effective working hours to be spent on the provision of lawyer services and provide a breakdown of the work records of the handling lawyer for verification and confirmation by the client, and both parties shall sign and endorse the list.

The time spent in a time-cost basis shall be the effective working hours of the lawyer handling the legal matter and shall include the necessary time spent by the lawyer in listening to representations by

the client, understanding the facts of the case from the client, investigating and collecting evidence, reading precedents, drafting legal documents, meeting persons with their personal freedom restricted, attending court sessions, participating in mediation and negotiation, completing various formalities on behalf of the client, and the handling of any other related legal matter. The time taken to travel to a different location for a case shall be halved for the purposes of computation of time spent.

[Article 12](#)

Negotiation of fees between a law firm and a client shall comply with the principles of "voluntary participation on an equal basis, honesty and trustworthiness". The specific rates shall be negotiated and determined based on the said prerequisites and the following factors:

- (1) the requisite amount of time spent to work on a legal matter, the extent of complexity of the legal matter and reasonable expenses incurred;
- (2) the wishes and threshold of the client;
- (3) the number, extent of complexity and social impact of the matters;
- (4) risks and liabilities that may be borne by the lawyer;
- (5) the experience, reputation, level of professional expertise and capability of the lawyer;
- (6) time restrictions over the provision of lawyer services as raised by the client or objectively imposed by the environment;
- (7) the fee rates for similar legal services in the same region; and
- (8) the reasonable outcome that can be expected from the legal services and its final result.

[Article 13](#)

The collection of fees for lawyer services shall use service engagement contracts or fee contracts of standard formats. The contract shall stipulate the contents of lawyer services, method of fee collection, fee rates, fee amounts, method of payment and settlement, term of payment, and the effect of a settlement, mediation or court ruling on the computation and payment of fees, whether the necessary expenses in a litigation are included in the contingency fee, and the means of dispute resolution.

[Article 14](#)

Unless proposed by the client, a lawyer or law firm shall not cite any reason or use any means to propose a client to adopt a contingency fee method for a case which involves alimony, allowance, maintenance expenses or criminal proceedings.

[Article 15](#)

Lawyers shall not accept cases or collect any expenses from clients privately. Fees payable by a client shall be uniformly collected by the law firm. Lawyers shall not collect fees from clients directly. Where a client pays fees to a lawyer, the lawyer shall promptly hand over the fees collected to the law firm and the relevant payee.

[Article 16](#)

Lawyers shall not demand additional remuneration or gains other than the fees for lawyer services agreed pursuant to the provisions.

[Article 17](#)

Where a negotiated fee method is adopted, the lawyer handling the case and the client shall negotiate and draft the clauses on the agreed fee; upon review and approval by the director of the law firm, the clauses shall be included in the service engagement contract.

Whereupon execution of a contract between the law firm and the client there is a change to fee items or the fee amount due to changes in the case, the client shall be notified promptly and upon negotiation and agreement between both parties, the contract shall be amended or supplemented for confirmation.

[Article 18](#)

Law firms shall, in the course of providing lawyer services, collect the following expenses other than fees for lawyer services, provided that the client has been notified beforehand and both parties have signed a service engagement letter:

- (1) judicial fees, administrative fees, arbitration fees, appraisal fees, notary fees, etc, paid on behalf of the client which comply with the provisions of the authorities with examination and approval authority; and
- (2) communication, photocopy, translation, transportation and meals, accommodation expenses, etc, reasonably and prudently incurred.

[Article 19](#)

A law firm which adopts the contingency fee basis for a case shall comply with the relevant provisions. Where government-guided prices apply to the legal matter in question, the client shall be notified verbally or in writing beforehand and both parties shall enter into a contract to confirm the contingency fee. The contingency fee shall not

exceed 30% of the total amount of the subject matter in the fee contract.

[Article 20](#)

Law firms shall promptly provide a breakdown of expenses and the valid proofs and invoices pursuant to the provisions when collecting fees from their clients.

[Article 21](#)

Where a law firm or a client terminates a service engagement contract or fee contract due to proper reason, the law firm shall have the right to collect fees for services provided; the client shall have the right not to pay the fees for services which have not been provided by the law firm.

[Article 22](#)

Where a law firm or a client terminates a service engagement contract or fee contract unilaterally, collection or payment of the fees for lawyer services shall cease pursuant to the agreement.

[Article 23](#)

Law firms shall implement a publicised fee system. The contents of publicised fees shall include:

- (1) the *Administration Measures on Fees for Lawyer Services* and these Implementation Regulations;
- (2) the *Procedures and Rules on Collection of Fees by Law Firms* of the Ministry of Justice;
- (3) the prevailing rules of the Provincial Pricing Bureau and the Provincial Judicial Bureau on fee items, fee rates and assessment of the extent of complexity of a legal matter;
- (4) the unified nationwide pricing complaint hotline (12358) and the complaint hotline of the provincial and municipal bar associations.

[Article 24](#)

Law firms shall not use improper fee collection means to solicit business and shall not give rebates in any form or under any pretext or pay introduction fees to middlemen.

[Article 25](#)

A client shall have the right to refuse payment to a law firm which collects fees in violation of the aforesaid provisions.

[Article 26](#)

Pricing authorities and judicial administration authorities at all levels shall strengthen supervision and inspection of fee collection and services of law firms.

Law firms which violate pricing provisions shall be subject to administrative penalties imposed by the pricing authorities pursuant to the provisions of the Pricing Law and the *Provisions on Administrative Punishment for Violation of Pricing Provisions*; persons which violate the provisions of the Lawyers Law and the *Measures on Punishment of Lawyers and Law Firms Guilty of Illegal Acts* shall be subject to administrative penalties imposed by the judicial administration authorities pursuant to the law.

[Article 27](#)

A dispute over fees for lawyer services shall be negotiated and resolved by the law firm and the client. Where the dispute cannot be resolved through negotiation, both parties may unilaterally or jointly submit the dispute to the bar association, judicial administration authorities and pricing administration authorities where the law firm is located for mediation, or apply for arbitration or file legal proceedings with the People's Court.

Where the pricing administration authorities and judicial administration authorities of the State Council provide otherwise on the resolution of disputes over fees for lawyer services, such provisions shall prevail.

[Article 28](#)

The Provincial Pricing Bureau and the Provincial Judicial Bureau shall be responsible for the interpretation of these Implementation Regulations according to their respective scope of duties.

[Article 29](#)

These Implementation Regulations shall be effective 1 January 2007 and any prevailing provisions of the Province which contradict these Implementation Regulations shall be repealed simultaneously.