



# **REGULATION OF THE LEGAL PROFESSION DURING THE COVID-19 PANDEMIC:**

## **THE MALAYSIAN PERSPECTIVE**

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# LEGAL REGULATORY BODIES IN MALAYSIA



# **CHALLENGES FACED BY MALAYSIAN LAWYERS DURING COVID-19 PANDEMIC**



# CHALLENGES DURING THE COVID-19 PANDEMIC

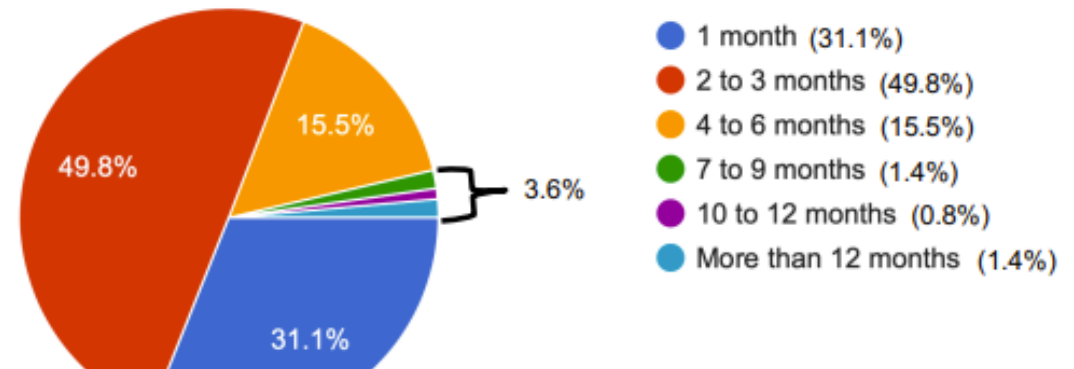
## Financial difficulties

- Survey: 80.9% did not expect to survive past 3 months.
- Government aid insufficient for law firms.
- Cost-saving measures by law firms: Paycuts, suspension of bonus and increment.

**Q8: From March 2020, how long are you able to sustain your law practice/branch with your current reserves without any financial support?**

- 1 month
- 2 to 3 months
- 4 to 6 months
- 7 to 9 months
- 10 to 12 months
- More than 12 months

Respondents were provided with pre-set answers to choose from that best suit their law practice/branch. Only one answer required per respondent.



Source: Malaysian Bar, Circular No 176/2020: Report of Bar Council Survey | The Effect of the Movement Control Order on Law Firm Owners of the Malaysian Bar (5 June 2020)

# CHALLENGES DURING THE COVID-19 PANDEMIC

## Adapting to digitalisation of the legal sector

- Remote working arrangements.
- Court processes, i.e. filing, hearing and trials conducted online through video-conferencing facilities.
- Lawyers in Sabah and Sarawak in a better position as the video-conferencing facilities have been made available for years before pandemic.
- Pushback due to perception that virtual trials have negative effect on advocates' courtroom skills and that the trials may not be fair.

## Mental health issues

- Survey by researchers at Universiti Malaysia Sarawak: one in three Malaysian adults experienced mild-to-severe depression during MCO.
- Difficulty to maintain boundaries between work and home life.
- Sense of isolation from colleagues and supervisors.
- Manifested in professional setting: outburst by lawyer in court at Kota Kinabalu, Sabah.



# **INITIATIVES BY THE REGULATORY BODIES**

# INITIATIVES BY THE REGULATORY BODIES

## 1. Acting as spokespersons for legal fraternity

### ➤ Sabah Law Society

- Issued a statement to urge banks and financial institutions not to impose unnecessary demands and instructions on their panel lawyers.
- Highlighted that law firms are affected by the Covid-19 pandemic.

### ➤ Advocates Association of Sarawak

- Issued a statement to clarify that the judiciary was acting in consultation with it to resolve issues during MCO.

### ➤ Malaysian Bar

- Spoke about inadequacy of the Government stimulus package to assist law firms and emphasised the need for funding for law firms.
- Pushed for legal services to be recognised as essential services and be allowed to operate during MCO.

# INITIATIVES BY THE REGULATORY BODIES

## 2. Liaising With Courts And Regulatory Authorities

- Cooperated with the Malaysian judiciary in the setting up and implementation of virtual and video-conferencing hearings.
- Provided frequent updates of court directions, circulars and practice notes to Malaysian lawyers.

## 3. Providing Professional Development Training

Organised various webinars and training sessions to enable legal practitioners to develop their professional skills during the pandemic, including:

- i. “*Legal Practice in ‘The New Normal’*” held on 20<sup>th</sup> April 2020.
- ii. “*Mediation in the Time of COVID-19*” held on 4<sup>th</sup> May 2020
- iii. “*Resolving Post-Pandemic Conflicts in the Construction Industry*” held on 26<sup>th</sup> November 2021.
- iv. “*Foreign Direct Investments in Post Pandemic Asia*” held on 29<sup>th</sup> November 2021.
- v. “*Child Sexual Exploitation and Abuse During the COVID-19 Pandemic*” held on 3<sup>rd</sup> December 2021.



# INITIATIVES BY THE REGULATORY BODIES

## 4. Providing Business Opportunities

### Establishment Of The Covid-19 Mediation Centre.

- *Give opportunity to lawyers to be trained in mediation and to obtain paid work as mediators.*

### Revision Of The No-discount Rule For Sabahan Lawyers.

- *Passing of Advocates' Remuneration (Special Provisions) Rules 2020, enabled Sabahan lawyers to offer discount up to 25% on conveyancing work from 1<sup>st</sup> September 2020 until 31<sup>st</sup> December 2021.*

## 5. Easing Of Financial Hardship

- Reduction of annual subscription fee and levies payable for the year 2020 by Malaysian Bar
- Revision of *Solicitors' Account Rules 1990* to insert additional exceptions for drawing money from a client account for certain purposes.

# INITIATIVES BY THE REGULATORY BODIES

## 6. Providing mental health support services

### ➤ Sabah Law Society:

- **Webinar: *Coping with the 'New' Normal*** held on 23<sup>rd</sup> June 2020.
- **Webinar: *Mental Wellbeing - Reaching Out, Reaching In.***

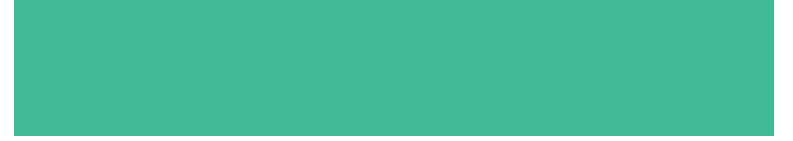
In conjunction, covered the costs for a behavioral and mental health screening by Mr. Alan Oh, a Consultant Counselling Psychologist & Family Therapist. **WHEN**

- **Webinar series: *Never Alone You Are!***

In collaboration with Project POSH of the Unleash Foundation and the China Hong Kong Culture Exchange Association in Hong Kong held between 25<sup>th</sup> September 2021 and 19<sup>th</sup> November 2021.

### ➤ Malaysian Bar:

- **Counselling services programme:** Covered cost for five counselling sessions for members from 9<sup>th</sup> June 2021 and 7<sup>th</sup> January 2023.
- **Webinar: *COVID-19: Safeguarding Mental Health in the Legal Profession*** held on 26<sup>th</sup> October 2021.



# **EFFECTIVENESS OF THE INITIATIVES BY THE REGULATORY BODIES**



## 2. LEGAL FIRMS IN SABAH / MEMBERSHIP OF THE SLS

- 2.1 Consistent with previous years there has been an increase in the number of legal firms set up in Sabah with emphasis in Kota Kinabalu. There are currently **368** law firms in Sabah, details of which are contained hereinbelow:-

<u>City / Town</u>	<u>No.</u>
<u>Keningau</u>	9
<u>Kota Belud</u>	5
<u>Kota Kinabalu</u>	238
<u>Kota Marudu</u>	2
<u>Kunak</u>	1
<u>Labuan</u>	4
<u>Lahad Datu</u>	13
<u>Papar</u>	1
<u>Penampang</u>	16
<u>Putatan</u>	5
<u>Ranau</u>	2
<u>Sandakan</u>	37
<u>Semporna</u>	2
<u>Tawau</u>	30
<u>Tuaran</u>	3
<b>Total</b>	<b>368</b>

- 2.2 There are currently **819** active members of the SLS.

**SABAH LAW SOCIETY  
INCREASE OF 26 LAW  
FIRMS BETWEEN 2020  
AND 2022, WITH THE NEW  
FIRMS MOSTLY LOCATED  
AT KOTA KINABALU.**

**INCREASE OF 23  
LAWYERS SINCE 2020**

Source: Sabah Law Society, *The President's Report for the Year 2021 – 2022 Annual General Meeting 2022* (4 November 2022)

## MALAYSIAN BAR

General increase in the number of law practices in **West** Malaysia.

General increase in the number of legal practitioners.

Increase of **1,251** in the number of lawyers in West Malaysia since 2019.

### Comparison of Size of Law Practices

Year	1 to 5 lawyers	6 to 30 lawyers	> 30 lawyers
2011	4152	428	26
2012	4283	469	31
2013	4418	493	30
2014	4682	528	32
2015	4554	517	30
2016	4718	552	30
2017	4699	570	30
2018	5187	616	30
2019	5357	668	35
2020	5498	713	33
2021	5688	738	34
2022	5817	745	33

### Number of Practitioners by Years


	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total No of Practitioners	14517	15331	16300	15896	16414	16524	18230	19305	19817	20384	20556

Source: Malaysian Bar, *General Statistics: Members and Law Firms* (as at 11 Feb 2022)



# EFFECTIVENESS OF THE INITIATIVES BY THE REGULATORY BODIES

## General findings & Conclusion:

- Despite the Covid-19 pandemic, the number of law firms and lawyers have generally increased since 2019.
  - Suggests that the initiatives by the Regulatory Bodies have been effective to some extent in supporting Malaysian lawyers through the Covid-19 pandemic.
  - However, still insufficient for determining whether the initiatives by have adequately addressed the specific challenges faces by Malaysian lawyers due to the Covid-19 pandemic.
  - Propose for a focused study to be conducted to assist the Regulatory Bodies in improving its current approach in supporting Malaysian lawyers.
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# QUESTION & ANSWER SESSION



**THANK YOU**

