

Measures for Penalizing Illegal Acts of Lawyers and Law Firms

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Chapter 1: General Provisions

Article 1 These Measures are formulated in accordance with the relevant provisions of the [Law of the People's Republic of China on Lawyers](#) (hereinafter referred to as "Lawyers' Law") and the [Law of the People's Republic of China on Administrative Penalty](#) (hereinafter referred to as "Administrative Penalty Law") for the purposes of strengthening supervision over activities involving legal practice as conducted by lawyers and law firms, regulating the legal practice of lawyers, and maintaining normal order within the legal services industry.

Article 2 If a lawyer or a law firm has committed any illegal act, such lawyer or law firm shall be administratively penalized. The judicial administrative organ shall impose administrative penalties in accordance with the Lawyers' Law, the Administrative Penalty Law and other related laws, regulations and rules, and the provisions of these Measures.

Article 3 While imposing administrative penalties, judicial administrative organs shall comply with the principles of impartiality and openness, rely on the facts of each case, and impose penalties commensurate with the nature, seriousness and repercussions to the society as caused by the illegal acts. The judicial administrative organ shall adhere to the principle that penalties shall be combined with reformation, and it shall educate and guide the lawyers and law firms to practice business in accordance with the law and to observe business ethics and practice discipline.

Article 4 Judicial administrative organs shall establish and improve the supervision system for administrative penalties. A superior judicial administrative organ shall strengthen its supervision over and guidance to its subordinate judicial administrative organs in imposing administrative penalties and shall, upon the discovery of any illegal or unjustified imposition of administrative penalty, order a timely rectification.

During the implementation of administrative penalties, any staff member of a judicial administrative organ found to have committed any illegal act or violated disciplines shall be subject to administrative punishment in accordance with the law. If a crime is made out, the person shall be subject to criminal liabilities in accordance with the law.

Chapter 2: Illegal Acts of Lawyers Subject to Penalties

Article 5 Where a lawyer falls within the purview of any of the following circumstances, such lawyer shall be deemed to have committed the illegal act of "practicing in two or more law firms simultaneously" as prescribed in Item (1) of Article 47 of the Lawyers' Law:

- (1) The lawyer practices law in one law firm and at the same time practices law in another law firm or social legal services institution; or
- (2) The lawyer undertakes business in the name of the law firm that he intends to join prior to receiving the requisite approval for shifting his employment, or continues to undertake business by representing himself as a lawyer belonging to the previous law firm after being granted approval to shift employers.

Article 6 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "soliciting business by illegitimate means" as prescribed in Item (2) of Article 17 of the Lawyers' Law:

- (1) Soliciting business by means of misleading, luring or intimidating others, or by making false

commitment, etc.;

- (2) Soliciting business by means of paying middleman's fees, giving kickbacks, or promising on gains, etc.;
- (3) Soliciting business by means of making false or improper propaganda concerning his law firm or by defaming other lawyers or law firms, etc.; or
- (4) Establishing offices or reception rooms outside the domicile of the law firm to solicit business.

Article 7 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "acting as agent for both parties involved in a single litigation, or acting as agent where such lawyer faces a conflict of interests between the legal affair at issue, personal interests and/or his close relatives" as prescribed in Item (3) of Article 17 of the Lawyers' Law:

- (1) Simultaneously acting as the agent or providing relevant legal services to two parties that have conflicting interests with respect to the same civil lawsuit, administrative lawsuit, or a non-litigation legal affair;
- (2) Acting as the defender or agent ad litem for the defendant and the victim simultaneously, or acting as the defender for two or more criminal suspects or defendants simultaneously;
- (3) When working as a legal counsel for a counseling entity, providing legal services for the party that has a conflict of interest with the said entity;
- (4) Acting as an agent or defender to undertake a case that has already been handled by a court or procuratorate, regardless of the fact that he has previously worked as a judge or procurator for that court or procuratorate; or
- (5) Acting as an agent to undertake a case that is being handled by an arbitral institution, regardless of the fact that he has worked or is still working as an arbitrator for that arbitral institution.

Article 8 If a lawyer who has previously worked as a judge or procurator, before acting as the agent ad litem or defender in, or by other means participates in a lawsuit that is undertaken by his law firm within two years after he has left such post in a people's court or people's procuratorate, such an act shall be deemed as an illegal act of "serving as agent ad litem or defender within two years after leaving his post in a people's court or people's procuratorate" as prescribed in Item (4) of Article 47 of the Lawyers' Law.

Article 9 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "refusing to perform the obligation of legal aid":

- (1) Refusing to accept a legal aid case assigned by his law firm or legal aid institution without justified reasons; or
- (2) After accepting the assignment, performing the obligation of legal aid in a negligent manner or ceasing the performance of the obligation without authorization.

Article 10 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "privately accepting authorization or collecting fees, or accepting money, things of value or other benefits offered by a client" as prescribed in Item (1) of Article 48 of the Lawyers' Law:

- (1) Violating the provisions of "accepting entrustment in a uniform manner" or privately accepting authorization to undertake legal affairs during a period when he is ordered to cease law practice;
- (2) Violating the provisions on fee charging by unauthorizedly collecting, using, or embezzling lawyers' service fees or travel fees for handling a case at a different location;
- (3) Demanding additional fees or property from the principal or obtaining other benefits, apart from the fees uniformly collected by the law firm; or
- (4) Demanding fees from the legal aid recipient, accepting property or other benefits from the legal aid recipient.

Article 11 Under any of the following circumstances, after accepting an entrustment, a lawyer's refusal to perform his duties as the defender or agent or failure to appear in court as per schedule to participate in litigation or arbitration shall be deemed as the illegal act prescribed in Item (2) of Article 48 of the Lawyers' Law:

- (1) The entrusted matter is illegal or the principal engages in illegal activities by using the legal services

provided by the lawyer;

- (2) The principal intentionally conceals important facts relating to the case or provides false or forged evidentiary materials;
- (3) The principal fails to perform the stipulated obligations of the entrustment contract;
- (4) The lawyer suffers from a serious disease, has been ordered to cease law practice or was imposed with a heavier administrative punishment; or
- (5) Other circumstances wherein the lawyer can be refused to serve as a defender or agent.

Article 12 Under any of the following circumstances, a lawyer shall be deemed to have committed the illegal act of "seeking the disputed rights and interests of a party by taking advantage of his provision of legal services" as prescribed in Item (3) of Article 48 of the Lawyers' Law:

- (1) Obtaining the disputed property or rights and interests of a party by means of enticement, fraud, threat, or extortion; or
- (2) Instigating or enticing a party to transfer, sell, or lease the disputed property or rights and interests to others and obtaining benefit therefrom.

Article 13 If a lawyer, without the authorization or consent of the principal or other parties, discloses or disseminates, during the process of handling a case or after its conclusion, the trade secret or personal privacy of a party or other information that the party is not willing to disclose, and which the lawyer has learned through his law practice, such lawyer shall be deemed to have committed the illegal act of "divulging commercial secrets or private affairs" as prescribed in Item (4) of Article 48 of the Lawyers' Law.

Article 14 Under any of the following circumstances, a lawyer shall be deemed to have committed the illegal act of "meeting with a judge, procurator, arbitrator or another staff member concerned in violation of regulations, or, attempting to influence their handling of a case by other illegitimate means" as prescribed in Item (1) of Article 49 of the Lawyers' Law:

- (1) During the process of working as an agent or defender, meeting with a judge, procurator, arbitrator or other staff member outside of office hours and office premises, for the purpose of influencing the handling of a case;
- (2) Influencing the handling of a case by taking advantage of his special relationship with the judge, procurator, arbitrator, or other staff members; or
- (3) Influencing the lawful handling of a case by engaging in distorted, false or misleading publicity with respect to the case or indulging in slander of the relevant case handling authority and staff members or the reputation of the opposite party, etc.

Article 15 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "giving bribes to a judge, procurator, arbitrator or another staff member concerned, approaching them with bribes, or instigating or inducing a party to resort to bribery" as prescribed in Item (2) of Article 49 of the Lawyers' Law:

- (1) Giving bribes in the form of gifts, money, marketable securities, etc., to the judge, procurator, arbitrator or other staff members involved in the handling of the case or to their close relatives, through wedding parties, funerals, or other ceremonial events;
- (2) Giving bribes to the judge, procurator, arbitrator or other staff members concerned by means of the interior decoration of their houses, personal expense reimbursement, or financing their travels or entertainments;
- (3) Giving bribes to the judge, procurator, arbitrator or other staff members concerned by providing transportation vehicles, telecommunication gadgets, housing, or other articles, etc.; or
- (4) Directly giving bribes to the judge, procurator, arbitrator or other staff members concerned, approaching them with bribes, or instigating or inducing a party to resort to bribery, for the purpose of influencing the handling of the case.

Article 16 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "providing false materials to judicial administrative organs or committing other frauds" as prescribed in Item (3) of Article 49 of the Lawyers' Law:

- (1) During the examination and supervision of a judicial administrative organ, concealing crucial facts from such organ, refusing to provide materials or providing false or fabricated materials, or concealing, destroying, or forging evidentiary materials;
- (2) During the activities of annual assessment of law practice, evaluation of law practice, or appraisal of excellence, etc., providing fabricated, false or forged materials or committing other frauds; or
- (3) During his application for altering the law practice institution, or when going through the formalities for termination or deregistration of law practice, providing fabricated, false, or forged materials.

Article 17 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "intentionally providing false evidence, or intimidating or luring another person into providing false evidence, for the purpose of preventing the other party from lawfully obtaining evidence" as prescribed in Item (4) of Article 49 of the Lawyers' Law:

- (1) Intentionally providing false evidence to the judicial authority, administrative authority or arbitral institution, or instigating, intimidating or luring another person into providing false evidence;
- (2) Instructing or helping the principal or another person to forge, conceal, destroy evidence, or instructing or helping a criminal suspect or the defendant proffer testimony pursuant to collusion, or intimidating or luring the witness into refusing to give testimony or giving false testimony; or
- (3) Interfering with the opposite party or his agent or defender in lawfully obtaining evidence, or obstructing others from providing evidence to the case handling authority or to the opposite party.

Article 18 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "accepting money, things of value or other benefits offered by the other party, and infringing the rights and interests of the client through malicious collusion with the opposite party or a third party" as prescribed in Item (5) of Article 49 of the Lawyers' Law:

- (1) Providing information or evidentiary materials that are unfavorable for his principal to the opposite party or a third party;
- (2) Colluding in a mala fide manner with the opposite party or a third party or surreptitiously cooperating with them, thereby hindering his principal from lawfully exercising the rights; or
- (3) Accepting property or other beneficial interests from the opposite party, intentionally delaying the performance of his obligations as an agent or defender, failing to perform the obligations or doing so in a reckless manner, thereby causing an undesirable impact on and losses to the principal or the handling of the entrusted matters.

Article 19 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "disrupting the order of a court or an arbitration tribunal, or interfering with the normal conduct of litigation or arbitration" as prescribed in Item (6) of Article 49 of the Lawyers' Law:

- (1) Presenting, instigating or enticing the principal to present views that are liable to disrupt the normal conduct of litigation or arbitration in the court or arbitral tribunal;
- (2) Obstructing the principal or other litigation participant from appearing in court, thereby disrupting the normal conduct of the litigation or arbitration;
- (3) Instigating or inciting another person to disrupt the order of the court and arbitral tribunal; or
- (4) Without justified reasons, refusing to act as an agent or defender in court, refusing to sign and accept judicial documents, or refusing to sign his opinions on the relevant litigation documents.

Article 20 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "instigating or inciting a party into settling disputes by disrupting public order, endangering public security or by other illegal means" as prescribed in Item (7) of Article 49 of the Lawyers' Law:

- (1) Instigating or inciting a party to express its litigation request through illegal assemblies, demonstrations, gathering a crowd to disrupt the order of a public place or transportation, surrounding or breaking into the State organs, etc., interfering with the lawful performance of duties by the State organs or their staff members, or resisting the law enforcement activities or the execution of a judgment; or
- (2) Instigating or inciting, by taking advantage of media coverage or other means, a party to disrupt the normal conduct of litigation, arbitration or administrative law enforcement activities by means of

disrupting public order and endangering public security, etc.

Article 21 Under any of the following circumstances, the lawyer shall be deemed to have committed the illegal act of "presenting views to endanger State security, maliciously slander of another person, or serious disruption of court order" as prescribed in Item (8) of Article 49 of the Lawyers' Law:

(1) During the period of working as an agent or defender, publishing or disseminating views that endanger State security, maliciously slander the judge, procurator, arbitrator, the opposite party, or a third party, or seriously disrupt the court order; or

(2) During the period of law practice, publishing, producing, or disseminating views, information, audio and video products that endanger State security or supporting, participating in, or implementing activities that target the endangerment of State security.

Article 22 A lawyer who, in violation of the provisions on confidentiality obligations, intentionally or negligently divulges State secrets that he has learned during his law practice, shall be deemed to have committed the illegal act of "divulging secrets of the State" as prescribed in Item (9) of Article 49 of the Lawyers' Law.

Chapter 3: Illegal Acts of Law Firms Subject to Penalties

Article 23 Under any of the following circumstances, a law firm shall be deemed to have committed the illegal act of "accepting entrustment and collecting fees in violation of regulations" as prescribed in Item (1) of Article 50 of the Lawyers' Law:

(1) Failure to accept entrustment or collect lawyers' service travel fees for handling a case at a different location in a uniform manner, or refusal to issue a valid receipt to the principal, in violation of the relevant provisions;

(2) Demanding or accepting fees, property or other benefits from the principal that are not specified or agreed upon in the contract; or

(3) Permitting or allowing its lawyers to commit the illegal act as specified in Article 10 of these Measures.

Article 24 Under any of the following circumstances, a law firm shall be deemed to have committed the illegal act of acting "in contravention of the statutory procedure, changing its name, replacing its leading person, altering its articles of association or partnership agreement, changing its domicile, replacing its partners, or making changes to other important items" as prescribed in Item (2) of Article 50 of the Lawyers' Law:

(1) Failure to report an alteration to the name of the law firm, the person-in-charge, articles of association or partnership agreement, domicile, partners, organizational form, etc., for approval or record-filing according to the stipulated procedures;

(2) Failure to employ partners, handle the withdrawal or dismissal of partners or select the person-in-charge of the law firm according to the prescribed conditions and procedures; or

(3) Failure to handle the division, merger, termination, liquidation or deregistration, etc., of the law firm or establishment of new branches according to the prescribed procedures.

Article 25 Under any of the following circumstances, a law firm shall be deemed to have committed the illegal act of "engaging in business activities other than the provision of legal services" as prescribed in Item (3) of Article 50 of the Lawyers' Law:

(1) Establishing enterprises in the form of sole proprietorship, joint equity, or shareholding via agent, or designating lawyers to assume the post of a legal representative or general manager of the enterprise; or

(2) Engaging in intermediary services or other business activities that are unrelated to legal services.

Article 26 A law firm that engages, or permits or allows its lawyers to engage, in the illegal acts prescribed in Article 6 of these Measures shall be deemed to have committed the illegal act of "soliciting business by slandering other law firms or lawyers, or paying middleman fees or by other illegitimate means" as prescribed in Item (4) of Article 50 of the Lawyers' Law.

Article 27 Under any of the following circumstances, a law firm shall be deemed to have committed the illegal act "accepting cases despite the existence of a conflict of interests involving the firm in violation of regulations" as prescribed in Item (5) of Article 50 of the Lawyers' Law:

- (1) Designating one of its lawyers to serve as an agent for the plaintiff and defendant in the same litigation, or the agent for the defendant and victim in the same criminal case;
- (2) Without conducting an examination on conflict of interests with respect to the entrusted matter according to the relevant provisions, designating one of its lawyers to, either simultaneously or successively, serve as an agent or provide relevant legal services for both the parties to a non-litigation legal matter notwithstanding the conflict of interest between the parties;
- (3) Designating a lawyer to serve as an agent or defender or provide relevant legal services where such law firm is clearly aware of the existence of a conflict of interest between the lawyer or any of his close relatives and the entrusted matter; or
- (4) Permitting or allowing its lawyers to commit the illegal act as prescribed in Article 7 of these Measures.

Article 28 Under any of the following circumstances, a law firm shall be deemed to have committed the illegal act of "refusing to perform the obligation of providing legal aid" as prescribed in Item (6) of Article 50 of the Lawyers' Law:

- (1) Without justified reasons, refusing to accept a legal aid case designated by the legal aid institution;
- (2) After accepting the designation, failing to arrange its lawyer to undertake the legal aid case in a timely manner or refusal to provide conditions or convenience for the handling of such case; or
- (3) Permitting or allowing its lawyers to commit the illegal act as prescribed in Article 9 of these Measures.

Article 29 Under any of the following circumstances, a law firm shall be deemed to have committed the illegal act of "providing false materials to judicial administrative organs or committing other frauds" as prescribed in Item (7) of Article 50 of the Lawyers' Law:

- (1) When the judicial administrative organ conducts examination or supervision, intentionally concealing the factual situation, refusing to provide relevant materials or providing fabricated or false materials, or concealing, destroying, forging evidentiary materials;
- (2) Providing fabricated, false or forged materials or committing other frauds during the activities of annual inspection, law practice evaluation, or appraisal of the standards of excellence of law firms; or
- (3) Providing fabricated, false or forged certification materials or committing other frauds when handling alteration to major items of the law firm, establishment of branches, or a division, merger, termination, liquidation, or deregistration of the law firm.

Article 30 Under any of the following circumstances that have potential to give rise to grave repercussions and adverse impacts, a law firm shall be deemed to have committed the illegal act of "neglecting management of its lawyers, thereby causing serious consequences" as prescribed in Item (8) of Article 50 of the Lawyers' Law:

- (1) Failure to establish a sound internal management system as required, resulting in an unprofessional and chaotic routine management that causes a systemic failure of the normal functioning of the firm;
- (2) Failure to effectively supervise over the legal practice activities of its lawyers, or allowing, shielding, harboring any illegal or violative activities of its lawyers, which result in serious consequences;
- (3) Permitting or allowing its lawyers to continue with law practice during the period when the law firm has been ordered to suspend its business for rectification purposes or when the lawyer is ordered to cease legal practice;
- (4) Failure to accept annual inspection as required, or being rated "unqualified" after annual inspection;
- (5) Failure to establish a labor contract system as required, or failure to purchase social insurances such as unemployment insurance, life insurance, medical insurance, etc., for its lawyers or other personnel in accordance with the law; or
- (6) Committing other illegal or violative acts, which result in serious consequences.

Chapter 4: Implementation of Administrative Penalties

Article 31 The penalties of warning, fine, confiscation of illegal gains, suspension of law practice, imposed on a lawyer by a judicial administrative organ shall be implemented by the judicial administrative organ of the city divided into districts or the district (or county) of a municipality directly under the Central Government where the legal practice institution is located. In the event of the revocation of a lawyer's legal practice license, the revocation shall be implemented by the judicial administrative organ at the level of province, autonomous region, or municipality directly under the Central Government that initially permitted the lawyer to practice law.

The penalties of warning, fine, confiscation of illegal gains, suspension of business for rectification, imposed on a law firm by a judicial administrative organ shall be implemented by the judicial administrative organ of the city divided into districts or the district (or county) of a municipality directly under the Central Government where the law firm is located. In the event of revocation of a law firm's legal practice permit, the revocation of such permit shall be implemented by the judicial administrative organ of at the level of province, autonomous region, or municipality directly under the Central Government that initially permitted the establishment of the law firm.

Article 32 If a lawyer has committed any of the illegal acts prescribed in Article 47 of the Lawyers' Law or Articles 5 to 9 of these Measures, the judicial administrative organ shall issue a warning thereto and may also impose a fine not exceeding RMB 5,000. If there are any illegal gains, they shall be confiscated. If the case is serious, a penalty of suspension of law practice not exceeding three months shall be imposed.

If a lawyer has committed any of the illegal acts prescribed in Article 48 of the Lawyers' Law or Articles 10 to 13 of these Measures, the judicial administrative organ shall issue a warning thereto and may also impose a fine not exceeding RMB 10,000. If there are any illegal gains, they shall be confiscated. If the case is serious, a penalty of suspension of law practice for a minimum of three months but not exceeding six months shall be imposed.

If a lawyer has committed any of the illegal acts prescribed in Article 49 of the Lawyers' Law or Articles 14 to 22 of these Measures, the judicial administrative organ shall order such to cease his legal practice for a minimum of six months but not exceeding one year, and may also impose a fine not exceeding RMB 50,000. If there are any illegal gains, they shall be confiscated. If the case is serious, the legal practice certificate of such lawyer shall be revoked. If a crime is made out, the lawyer shall be subject to criminal liabilities in accordance with the law.

Article 33 If a law firm has committed any of the illegal acts prescribed in Article 50 of the Lawyers' Law or Articles 23 to 30 of these Measures, the judicial administrative organ shall, according to the seriousness of the case, issue a warning thereto and order it to cease its business operations for rectification purposes for a minimum of one month but not exceeding six months, and may also impose a fine not exceeding RMB 100,000. If there are any illegal gains, they shall be confiscated. If the case is gravely serious, the law practice permit of the law firm shall be revoked.

Article 34 The administrative penalties imposed against the illegal acts of a lawyer or law firm by a judicial administrative organ shall be implemented in compliance with the Administrative Penalty Law, the Lawyers' Law and the provisions of the Ministry of Justice on administrative penalty procedures and the provisions of these Measures.

Article 35 A lawyer or a law firm shall have the right to statement, right of defense, or the right to request a hearing, with regard to the administrative penalties imposed thereon by the judicial administrative organ. In the event of dissatisfaction with the decision on the imposition of administrative penalties, the concerned party shall have the right to apply for administrative reconsideration or file an administrative action in accordance with the law. The party that suffers damages due to the illegal imposition of administrative penalties by a judicial administrative organ shall have the right to file a request for compensation in accordance with the law.

Article 36 To implement an administrative penalty, a judicial administrative organ shall conduct comprehensive, objective and impartial investigations and verifications of the facts and evidence

relating to the illegal act of the lawyer or law firm, and may conduct examination in accordance with the law when necessary.

To conduct investigations into an illegal act, the judicial administrative organ can require the lawyer or law firm under investigation to explain the situation or submit relevant materials. The organ shall also be entitled to access the relevant business files and archives of the law firm, or conduct investigation into the relevant entities or individuals to verify the relevant information and collect evidence, and can also register and preserve, in advance, the evidence that is likely to be misplaced or that might be difficult to obtain in the future.

A judicial administrative organ can entrust its immediate subordinate judicial administrative organ or the judicial administrative organ at the place where the illegal act occurs to conduct investigation, and can also entrust the lawyers' association to assist with such investigation.

Article 37 With regard to the specific application of administrative penalties, the judicial administrative organ shall, in accordance with the relevant provisions of the Lawyers' Law and these Measures, and according to the facts, nature, seriousness and degree of damage of the illegal act committed by the lawyer or law firm, make a specific penalty decision within the statutory types and scope of penalties.

If a lawyer is issued a warning, ordered to suspend law practice, or has his law practice license revoked, or if a law firm is issued a warning, ordered to suspend business for rectification, or has its law firm practice permit revoked, a fine can also be imposed thereon according to the specific circumstances. If there are any illegal gains, they shall be confiscated.

Article 38 Under any of the following circumstances, a lawyer or law firm can be subject to mitigated administrative penalties:

- (1) Taking initiative to eliminate or reduce the repercussions arising out of an illegal act;
- (2) Taking initiative to report, and actively coordinating with the judicial administrative organ to investigate and punish illegal acts;
- (3) The illegal act at issue has been committed under the threatening influence of others; or
- (4) Other circumstances wherein the penalties shall be mitigated.

The imposition of administrative penalties shall be exempted if an illegal act is minor and is rectified in a timely manner because of which no serious consequences are caused.

Article 39 Under any of the following circumstances, a lawyer or law firm's illegal act shall be deemed to be of a gravely serious nature as prescribed in the Lawyers' Law, and shall be subject to heavier penalties within the statutory types and scope of administrative penalties :

- (1) The illegal act has caused material losses to the concerned parties, third persons, or social public interest;
- (2) The illegal act is of a grave nature that seriously damaged the image of the legal sector and caused adverse social influence;
- (3) Two or more illegal acts have been committed simultaneously or the illegal act involves a substantial amount of money;
- (4) During the investigation and punishment of illegal acts by the judicial administrative organ, the lawyer or law firm refuses to make rectification, continues to conduct the illegal act, refuses to submit, conceals or destroys evidence, or submits false or fabricated evidence; or
- (5) Other circumstances wherein they shall be subject to heavier penalties.

Article 40 Within one year after a lawyer has been issued a warning, if a circumstance occurs wherein such lawyer is again issued with a warning, the lawyer shall be ordered to cease his legal practice for a minimum of three months but not exceeding one year. Before the term of the penalty on cessation of law practice expires or within two years after the expiry of such term, if a circumstance occurs wherein the lawyer is again ordered to cease the law practice, the lawyer's legal practice license shall be revoked.

Before the term of the penalty on suspension of business for rectification expires or within two years after the expiry of the term, if a circumstance occurs wherein the law firm is again ordered to suspend its business for rectification, such law firm's legal practice permit shall be revoked.

Article 41 If a law firm is subject to penalties due to its illegal acts, the judicial administrative organ shall, in accordance with the provisions of Paragraph 2 of Article 50 of the Lawyers' Law, impose corresponding administrative penalties on the person-in-charge of the law firm according to his management responsibilities and seriousness of his acts of negligence.

If a law firm is subject to penalties due to illegal acts, the lawyer bearing direct responsibilities shall be simultaneously subject to legal liabilities and be imposed with corresponding administrative penalties.

Article 42 If the illegal act of a lawyer or law firm results in the making out of a crime, criminal liabilities shall be pursued in accordance with the law, and the judicial administrative organ shall transfer the case to the judicial organ and shall not impose administrative penalties in substitution of criminal penalties.

Where a lawyer has intentionally committed a crime on account of illegal law practice or is subject to criminal penalties, the judicial administrative organ shall revoke the legal practice license of such lawyer. If the lawyer is subject to criminal penalties on account of involuntary crime, he shall cease to perform the lawyer's duties during his service of the sentence or probationary period, and can reapply for resumption of law practice upon the expiry of the sentence term.

Article 43 The implementation of administrative penalties by a judicial administrative organ shall be subject to examination and approval by the person-in-charge thereof and a written decision on administrative penalty shall be prepared in accordance with the requirements of the Administrative Penalty Law.

When imposing heavy administrative penalties against illegal acts with a complicated nature or material illegal acts, the responsible persons of the judicial administrative organ shall make a decision through group discussion. When making a decision through group discussion, they can invite the lawyers' association to designate members to contribute to the discussion.

Article 44 To implement an administrative penalty, the judicial administrative organ can, according to its requirements, adopt proper ways to circulate the administrative penalty decision within the lawyers' sector or make a public announcement.

Article 45 A penalized lawyer or law firm shall, on its own initiative, perform the administrative penalty decision in a timely and comprehensive manner, and shall truthfully report the performance thereof to the judicial administrative organ.

The judicial administrative organ shall supervise over the performance of the administrative penalty decision by the lawyer or law firm and shall order them to make rectification or adopt corresponding measures in accordance with the law upon the discovery of any problem.

Article 46 Where a lawyer or law firm is subject to an administrative penalty due to illegal law practice and the illegal act thereof has caused damages to the concerned parties or a third person, such lawyer or law firm shall incur corresponding civil liabilities in accordance with the law.

If a law firm is subject to liabilities for compensation due to the illegal act of a lawyer, the law firm can, after making the compensation, claim compensation from the lawyer that intentionally committed the act of major negligence.

Article 47 Where the term of penalty on cessation of law practice imposed on a lawyer has not expired, the lawyer shall not make an application for altering his law practice institution. Where the lawyer is subject to a penalty on cessation of law practice for over a period of six months, the lawyer cannot serve as a partner in any law firm during the term of the penalty or within three years after the expiry of the term.

Where the term of penalty on suspension of business for rectification for a law firm has not expired, the law firm shall not decide on the dissolution of the firm on its own accord, or apply for alteration of its name, or apply for a division, merger, or establishment of branches. The person-in-charge and partners of the law firm and the lawyer directly liable for the said penalty on the law firm shall not apply for shifting their law practice institution.

Chapter 5: Supplementary Provisions

Article 48 The administrative penalties imposed against the branch of a law firm or its lawyers for illegal acts shall be implemented by the judicial administrative organ where the branch is located in accordance with the provisions of the Lawyers' Law and these Measures. A copy of the penalty decision shall be submitted to the law firm that established the branch and the judicial administrative organ of the city divided into districts or the district (or county) of a municipality directly under the Central Government where the branch is located.

Article 49 For the purposes of these Measures, judicial administrative organs of the cities divided into districts shall include judicial administrative organs of prefectures and prefecture-level cities not divided into districts.

Article 50 These Measures shall become effective on June 1, 2010. The Measures for Penalizing Illegal Acts of Lawyers and Law Firms (Decree No. 86 of the Ministry of Justice) promulgated on March 19, 2004 shall be simultaneously repealed.