

LCQ19: Developing HK into international arbitration centre

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Following is a question by the Hon Cheung Hok-ming and a written reply by the Secretary for Justice, Mr Wong Yan Lung, SC, in the Legislative Council today (December 3):

Question:

The report of a recent study points out that as the number of arbitration cases handled in Hong Kong has been on the rise in recent years, coupled with the availability of professionals in this area, Hong Kong possesses the conditions for developing into an international arbitration centre. In this connection, will the Government inform this Council whether:

- (a) it will consider financing the Hong Kong International Arbitration Centre to set up a database on arbitration cases in Hong Kong, in collaboration with local tertiary institutions, so as to assist new entrants to the profession or those currently enrolled in the related programmes in expeditiously familiarising themselves with the procedures and the actual process of local arbitration; and
- (b) it will explore adopting appropriate measures for facilitating the trade to open up the Mainland and overseas markets for arbitration business?

Reply:

President,

(a) Training on arbitration is currently provided by the tertiary institutions and the relevant professional bodies. Such training is comprehensive. The law, the process and the procedures are usually covered as part of the basic course.

One of the important advantages of arbitration over litigation is the ability of the parties to keep their disputes and the arbitral proceedings in strict confidence. Arbitral awards are normally not published and hearings in court on arbitration are mostly heard otherwise than in open court (see section 2D of the Arbitration Ordinance, Cap. 341). Hence, only limited arbitral awards and court judgments on arbitration are made public and they are available in the libraries of the tertiary institutions or professional bodies. We do not see a need to provide funding to set up a database on such information at this stage.

(b) An important policy of the Department of Justice is to promote the use of arbitration and Hong Kong's status as a hub for international arbitration. The Department has taken the following steps to achieve these objectives, including promotion of this policy overseas:

- (i) regularly reviewing existing arbitration law to make it more user-friendly with a view to attracting more international arbitrations to Hong Kong. A new Arbitration

Bill will be introduced in 2009 to unify the domestic and international arbitration regimes;

(ii) working closely with the Hong Kong International Arbitration Centre (HKIAC) and other related organisations to promote the advantages of Hong Kong as a centre for international arbitration, which includes supporting the activities organised by the HKIAC and other related organisations to develop Hong Kong into a leading hub for international arbitration in the region;

(iii) encouraging and lobbying international arbitration institutions outside Hong Kong to establish a presence in Hong Kong. In November 2008, the International Court of Arbitration of the International Chamber of Commerce has established a branch of its secretariat in Hong Kong;

(iv) joining hands with other Government departments such as the Trade and Industry Department, Hong Kong Economic and Trade Offices as well as trade promotion organisations to promote the advantages of arbitration in Hong Kong in places outside Hong Kong; and

(v) liaising with the relevant central organs in the Mainland with a view to resolving any difficulty arising from the operation of the Arrangement on reciprocal enforcement of arbitral awards between Hong Kong and the Mainland and problems relating to the enforcement of Hong Kong arbitral awards in the Mainland.

The Department of Justice will continue to work closely with arbitration stakeholders in Hong Kong to promote arbitration both locally and overseas and to enhance Hong Kong's status as a premier hub for arbitration in Asia.

Ends/Wednesday, December 3, 2008