

**Speech by the Hon Mr Wong Yan Lung, SC, JP
at the Cocktail Reception to Mark the Commencement of
Operation of the Hong Kong Arbitration Ordinance
on Wednesday, 1st June 2011**

Huen, Friends, Ladies and Gentlemen,

Today is a landmark in the development of arbitration in Hong Kong. Firstly, the 1st of June 2011 is the commencement date of the new Arbitration Ordinance. As from today, the old Arbitration Ordinance, which was enacted in 1963, has completed its historical task. Gone is the division between the domestic and international arbitration regimes. As the new Ordinance takes effect today, Hong Kong enters a new era with a brand new regulatory framework to enable arbitration to realize its full potential as a dispute resolution mechanism, and to further strengthen Hong Kong's credentials as the regional hub for international arbitration.

2. The enactment of the new Ordinance is a testament to the concerted efforts of the Government, the Legislative Council and the arbitration community. The Bill was introduced into the Legislative Council in July 2009. This was followed by 15 Bills Committee meetings. The gestation period, however, was much longer than that. Significant milestones include the Report published by the Hong Kong Institute of Arbitrators in cooperation with the HKIAC in 2003, the Department of Justice Working Group established in 2005, and the DoJ Consultation Paper on the draft Arbitration Bill in 2007. They signify the painstaking efforts which have been put into this law reform project. I salute those who have so selflessly given their precious time and expertise to make it happen.

3. According to a survey on international arbitration conducted by the School of International Arbitration at Queen Mary, University of London last year, 62% of the respondents opined that formal legal infrastructure or statutory framework was the most decisive factor in choosing a place of arbitration. This underscores our efforts to further enhance Hong Kong's advantage in arbitration by reforming our arbitration law.

4. With the new Ordinance coming into operation today, we have now a unified arbitration regime based on the UNCITRAL Model Law on International Commercial Arbitration. Our law becomes in tune with the latest and best international practice, and becomes more familiar and easily accessible to both local and foreign arbitration users and practitioners. With the clear policy in the new Ordinance that the court may intervene only in circumstances that are expressly provided for, the new regulatory regime is in line with the objectives to achieve fair and speedy resolution of disputes and to avoid unnecessary costs.

5. Other major features of the new Arbitration Ordinance include the protection of confidentiality in arbitration proceedings as well as court hearings related to those proceedings. These provisions seek to strike more accurately the right balance between safeguarding confidentiality in arbitration and protecting the other substantive legal rights of the parties. While disclosure of information relating to arbitral proceedings and awards is generally prohibited, under exceptional circumstances, such as for the parties to protect or pursue their legal rights or for them to enforce or challenge an arbitral award in legal proceedings, disclosure can be allowed.

6. The second matter which makes today truly a landmark in the development of international arbitration in Hong Kong is the good news that the HKIAC is going to double its size very soon. With the increase in arbitration cases in Hong Kong in recent years, my Department has been making our best endeavour to secure more space for the HKIAC so that it can cope with the increasing demand for its services and provide facilities commensurate with a premier arbitration centre. The hard work of the HKIAC, in proving yourself worthy of the trust of the arbitration as well as generally community of Hong Kong, has borne fruit.

7. It therefore gives me great pleasure to announce that the Government will be making available additional office space to the HKIAC to enable it to expand its hearing and office facilities. In less than a year's time, HKIAC will be able to operate from the entire floor of its current address in Two Exchange Square, with the total floor space of about 1,270 square metres, doubling the size of the present establishment. This is a clear demonstration of the determination on the part of the HKSAR Government to work with all of you from the arbitration fraternity to push Hong Kong forward as the leading arbitration centre of the Asia Pacific.

8. It is my sincere hope that with the expanded facilities of the HKIAC, we can meet the demand of users of arbitration from across the region, including those from the Mainland. With the additional hearing facilities, we can also attract more international arbitral institutions to come to Hong Kong, just as the ICC International Court of Arbitration did two years ago. With the expansion of the HKIAC, I am confident that businesses around the world will find Hong Kong even more attractive as a preferred venue when it comes to arbitration as well as setting up businesses.

9. On this special occasion, I wish to reiterate that the Government is committed to the policy of promoting Hong Kong as a regional centre for international arbitration, which was clearly stated by the Chief Executive in his Policy Address back in 2007. In my position as Secretary for Justice, I would do whatever I can to support, and to realise our common goal of promoting arbitration in Hong Kong.

10. With the commencement of the new Arbitration Ordinance and the additional accommodation for the HKIAC, Hong Kong has made a great leap forward in providing the best software and hardware for arbitration. However, the single most crucial factor for the success of arbitration in Hong Kong must still be the human talents. Without a close partnership with you our first class legal and arbitration professionals, there is simply no way that Hong Kong can excel in this highly competitive area.

11. I would like to take this opportunity to extend my warmest welcome to Huen, the new Chairman of the HKIAC, whose chairmanship takes effect from today. My colleagues and I look forward to working closely with you and the HKIAC on promoting the new Ordinance and the development of international arbitration in Hong Kong. I must also pay tribute to Mr Michael Moser, the outgoing Chairman, who has made significant contributions during his tenure in promoting not just the HKIAC but also Hong Kong's reputation as an international arbitration centre, including pro-actively lobbying me and my colleagues for the provision of additional accommodation for the HKIAC.

12. Ladies and Gentlemen, please join me in a toast to the new Arbitration Ordinance, the expansion of the HKIAC, and the development of Hong Kong into

the leading centre for dispute resolution in the Asia-Pacific! Thank you.