

Government committed to developing arbitration in Hong Kong

The Government is committed to the development of arbitration in Hong Kong, the Secretary for Justice, Mr Wong Yan Lung, SC, said at a luncheon of the Hong Kong International Arbitration Centre (HKIAC) today (November 18).

The recent updating of the Arbitration Ordinance was cited as an example of the Government's continued efforts to strengthen Hong Kong's formal legal infrastructure to promote its status as an international dispute resolution hub.

"With the enactment of the new Ordinance, our arbitration law becomes clearer, more certain, and more easily accessible to arbitration users and practitioners from across the world," he said.

"An enhanced arbitral environment will help further develop our arbitration services. We already have a mature legal system, an independent Judiciary, as well as a deep pool of experienced professionals (including lawyers, accountants, engineers, architects and surveyors, etc).

"Arbitration awards made in Hong Kong are enforceable through the courts of most of the world's trading economies by virtue of the New York Convention as well as our arrangement with the Mainland on reciprocal enforcement of arbitral awards since 1999," he added.

Mr Wong said the findings of the 2010 International Arbitration Survey underscored the efforts Hong Kong had been making to further enhance its advantage in arbitration, and confirmed that Hong Kong was moving on the right track.

The survey collected opinion from over 130 general counsel and heads of legal departments around the world. Nearly two-thirds of the respondents said that formal legal infrastructure was the most decisive factor in choosing a place of arbitration.

"The phenomenal economic development in the Mainland in recent years has generated substantial demand for more sophisticated and effective business disputes resolution mechanisms," Mr Wong noted.

"With increasing economic cooperation between Hong Kong and the Pearl River Delta region, the demand for arbitration services will continue to increase. Further, with the signing of the Economic Cooperation Framework Agreement between the Mainland and Taiwan, there is good potential for setting up a Greater China arbitration services platform with Hong Kong assuming an important role."

"The Department of Justice has been in discussion with the relevant Mainland authorities, including the Supreme People's Court and the Ministry of Justice in Beijing, on how we can further enhance our cooperation with the Mainland on the development of arbitration," he said.

This is in addition to other initiatives such as the Arrangement on reciprocal enforcement of arbitral awards between Hong Kong and the Mainland, as well as the Cooperation Arrangement on legal services for commercial matters and arbitration signed last month between the Department of Justice and the China Council for the Promotion of Trade.

Mr Wong said that there were ample opportunities for Hong Kong to establish a stronghold and to entrench its position as an international arbitration base in the Asia Pacific region and the arbitration hub for Greater China, in addition to an internationally recognised financial centre.

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