

Secretary for Justice's speech at Hong Kong Legal Services Forum

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Following is the speech delivered by the Secretary for Justice, Mr Rimsky Yuen, SC, at the Hong Kong Legal Services Forum in Qingdao today (September 16) (English translation):

Distinguished Vice Mayor Mr Liu Mingjun, distinguished guests, members of the legal profession, ladies and gentlemen,

Good morning. Welcome to the Hong Kong Legal Services Forum.

Hong Kong and Qingdao not only have a lot in common, they also have a close relationship. Qingdao is the economic centre of Shandong, which lies in the Bohai Bay economic region, and an important window for the opening up of the country. Both Hong Kong and Qingdao are major ports of China enjoying a flourishing maritime trade and shipping business. Hong Kong is also Shandong's largest source of foreign direct investment. In September 2002, the Department of Justice (DoJ) of Hong Kong and the Qingdao Municipal Justice Bureau signed the Legal Services Co-operation Agreement, which is the first legal services co-operation agreement Hong Kong has signed with a Mainland city. Since then, both sides have maintained close liaison and co-operation.

Together with its co-organisers, the DoJ hosts the third Hong Kong Legal Services Forum entitled "Think Global, Think Hong Kong" in Qingdao for the legal and dispute resolution services sectors of Hong Kong to share their experience with their counterparts and enterprises in Shandong and to strengthen co-operation. Apart from the Hong Kong Trade Development Council, the Hong Kong Bar Association, the Law Society of Hong Kong, the Hong Kong International Arbitration Centre (HKIAC), and the International Court of Arbitration of the International Chamber of Commerce (Asia Office), we have a new co-organiser this year in the China International

Economic and Trade Arbitration Commission (CIETAC) Hong Kong Arbitration Center, established in Hong Kong in 2012.

The past decade or so witnessed a drastic change in the macro-economic environment of the Mainland and the world. With the shift of global economic balance from the West to the East, the Asia Pacific region, in particular the Mainland, has become the top destination for investors in recent years. As Mainland enterprises continue to "go global", the questions of how to deal with the risks of offshore financing and cross-boundary mergers and acquisitions, and how to effectively protect their overseas investment assets and properly resolve cross-boundary commercial disputes in the face of complicated international commercial rules and legal landscape, are topics of common interest.

Very often, traditional litigation in courts cannot fully satisfy the needs of international businessmen who seek to effectively resolve cross-boundary commercial disputes, and international commercial arbitration and mediation have become the mainstream modes of resolving international commercial disputes.

Hong Kong is an international financial and commercial centre, as well as an international arbitration centre. Given the common culture we share with the Mainland as well as the close geographical proximity, Hong Kong is an ideal neutral arbitration venue for Mainland and foreign enterprises. Under the principle of "One Country, Two Systems" enshrined in the Basic Law, Hong Kong continues to maintain its common law system, which is familiar to the international community, and is the only place within the entire Greater China region that applies common law. Rich in experience in international business law, our legal professionals and dispute resolution practitioners can provide high-end legal and dispute resolution services in various areas. Thanks to our excellent geographical location, advanced telecommunication networks and flourishing business opportunities, many renowned

international law firms have set up branch offices in Hong Kong. All in all, the legal professions of Hong Kong are fully experienced and capable of providing clients with diversified professional legal and related services.

Besides, we have been working continuously to enhance our arbitration and trade laws. On the basis of the Model Law on International Commercial Arbitration of the United Nations Commission on International Trade Law, the current Arbitration Ordinance adopts a generally familiar international arbitration regime. We also keep a close eye on developments in the arbitration sector. Earlier on, we amended the Arbitration Ordinance so that any emergency arbitral award granted by an emergency arbitrator is enforceable under the Arbitration Ordinance. The Companies Ordinance, which came into force in March 2014, also further enhances corporate governance and facilitates business.

Hong Kong has been a legal and dispute resolution services centre in the Asia Pacific region for years. We strive to attract suitable international legal organisations and arbitration institutions to set up offices in Hong Kong. Apart from the HKIAC established in 1985, the International Court of Arbitration of the International Chamber of Commerce set up a branch of its secretariat in Hong Kong in 2008, which is the first secretariat outside its headquarters in Paris. Likewise, the CIETAC established its first arbitration centre outside the Mainland in Hong Kong in September 2012. The China Maritime Arbitration Commission (CMAC) has also agreed to set up a branch office in Hong Kong in November 2014. As in the case of the CIETAC Hong Kong Arbitration Center, this will be the first branch office of the CMAC outside the Mainland. In December 2012, the Hague Conference on Private International Law also set up its Asia Pacific Regional Office in Hong Kong. In addition, our Central People's Government has concluded the negotiation of a host country agreement with the internationally renowned Permanent Court of Arbitration to facilitate the conduct of dispute settlement proceedings

in Hong Kong. This will help attract more investment arbitrations in Hong Kong.

Enforceability of arbitral awards is a very important consideration when parties consider where to arbitrate. Arbitral awards made in Hong Kong are already enforceable in the jurisdictions of 150 Contracting States under the New York Convention. The extensive enforcement network is one of the main reasons for parties to choose conducting arbitration in Hong Kong.

Apart from arbitration, Hong Kong is striding briskly in promoting and developing mediation. The Mediation Ordinance came into operation in January 2013, and we believe that it will help promote a wider and more effective use of mediation in Hong Kong to resolve disputes. The Ordinance provides a legal framework with emphasis on the protection of confidentiality of the mediation process. In August 2012, the Hong Kong Mediation Accreditation Association was incorporated, with one of its functions as establishing an effective accreditation system for ensuring the quality of mediators. This in turn will strengthen the mediation services available in Hong Kong. In March this year, the DoJ held a "Mediation Week in Hong Kong" with a two-day conference under the theme "Mediate First for a Win-Win Solution". More than 1,000 local and overseas professionals from the legal and mediation sectors, academics, and representatives of business associations and professional organisations attended the conference. They exchanged views and shared experience on the latest situation and future developments on a global scale, and the use of mediation to resolve disputes in different sectors was discussed.

The expansion of legal and dispute resolution services, particularly international arbitration services, not only contributes to business development but overall national development as well. Conventional international rules for trade and arbitration were drawn up under the influence of

the West. Today, the development of international trade and arbitration in the Asia Pacific region is entering a golden age. Let's join hands in promoting the development of international arbitration so that our nation will have a greater say and influence in the international law and arbitration community.

The Forum today will create an excellent opportunity for fostering future co-operation. I would like to extend my sincere gratitude to the People's Governments of Shandong Province and Qingdao Municipality and all co-organisers and supporting organisations, including the Higher People's Court of Shandong Province and the Qingdao Intermediate People's Court, the justice and commerce authorities and the intellectual property offices of Shandong Province and various municipalities like Qingdao as well as the lawyers associations and arbitration commissions. Last but not least, I would like to thank all the guest speakers and each of you who participate in the Forum.

On that note, may I wish the Forum great success. Thank you.

Ends/Tuesday, September 16, 2014