

China-ASEAN Commercial Law Forum

Embracing New Opportunities of RCEP and Creating a New Pattern of Legal Cooperation

“拥抱 RCEP 新机遇 共创法治合作新格局”

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Your Excellency, Distinguished Guests, Ladies and Gentlemen,

1. Good afternoon, it is my great honour to be here today at the ASEAN-China Commercial Law Forum in the vibrant city of Nanning, to discuss the exciting opportunities that lie ahead for China and ASEAN under the Regional Comprehensive Economic Partnership (RCEP). I would like to thank the organizers for inviting me to speak at this important Forum.
2. As one of the largest free trade agreements in history, RCEP embodies the collective ambition of 15 contracting parties to strengthen economic integration. While economic integration is undoubtedly crucial, it must be built on a foundation of trust, certainty and fairness. At the heart of all these principles lies the *rule of law*, which ensures that businesses and governments can operate in a stable and transparent legal environment. As President Xi Jinping stated “*rule of law is the best business environment*”.

Hong Kong in the Greater Bay Area

3. Against the backdrop of RCEP, Hong Kong's legal system and services are well-positioned to strengthen cooperation and foster a deeper commitment to the rule of law between China and ASEAN. Hong Kong is also well situated in the Greater Bay Area (GBA) which comprises two Special Administrative Regions and the nine municipalities in Guangdong Province. The total area is around 56 000 km², with a total population of over 86 million, and the GDP of around RMB 14 trillion. As a leading economic growth engines, the GBA also plays an important role in advancing the economic development of the Pan-Pearl River Delta region, including the central-south and south-western regions of China, and provides a key platform for the Belt and Road Initiative.
4. Today I wish to highlight **three** key areas in which Hong Kong in the GBA can contribute to this cooperation.

(a) Unique Common Law System

5. **First**, Hong Kong has a common law system with distinct international characteristics. Under the principle of “one country, two systems”, Hong Kong is the only common law jurisdiction in the GBA, setting it apart as a critical legal bridge between East and West, and between China and ASEAN. Our common law system, which is deeply rooted in the principles of fairness, transparency, and a judicial system with independent and final adjudicatory power, is one that is both familiar and trusted by the global business community.
6. Hong Kong's business laws are aligned with international standards, and have recently been ranked first in the sub-factor of “Business Legislation” in the World Competitiveness Yearbook 2024 published by the International Institute for Management Development. All our legislation is accessible in both Chinese and English which ensures

clarity and ease of navigation for businesses operating across jurisdictions. This bilingual legal framework is a unique advantage, facilitating cross-border transactions and providing businesses with the legal certainty they require.

7. Laws are only as effective as people who interpret and apply them. Hong Kong boasts a diverse and highly skilled pool of legal professionals, many of whom are multilingual and qualified in multiple jurisdictions. These professionals possess a deep understanding of both international law and the legal nuances of China and ASEAN, which is invaluable for businesses looking to manage the complexities of cross-border trade under RCEP.

(b) International Dispute Resolution Centre

8. **Second**, Hong Kong has firmly established itself as a centre for international legal services and dispute resolution in the Asia-Pacific. As economic cooperation between China and ASEAN deepens under RCEP, cross border economic disputes may also rise. Hong Kong offers a wide range of dispute resolution services, including arbitration, mediation and online dispute resolution (ODR), providing a neutral, fair and efficient environment for resolving such conflicts.
9. According to a survey conducted by the Queen Mary University of London, we are the third most preferred arbitration seat in the world. In 2023 alone, the Hong Kong International Arbitration Centre (HKIAC) handled disputes totalling US\$12.5 billion. Apart from HKIAC, a number of renowned international arbitral bodies have also established their presence in Hong Kong, such as the Asian-African Legal Consultative Organization (AALCO) Hong Kong Regional Arbitration Centre and the Asia Office of the Secretariat of the International Court of Arbitration of the International Chamber of Commerce (ICC-ICA Asia Office).
10. Given our unique arrangement with the Mainland, we are also the first and only common law jurisdiction where parties to arbitration seated in

Hong Kong can apply to Mainland courts for interim measures, such as asset preservation. This arrangement offers businesses from ASEAN and beyond a level of legal certainty that is unparalleled when conducting businesses in China.

11. Beyond arbitration, Hong Kong is also a leader in international mediation. A testament to this is the selection of Hong Kong as the future headquarters for the International Organization for Mediation by the negotiating States. The International Organization for Mediation, when established in the near future, will be the world first intergovernmental organization dedicated to providing mediation services for cross-border disputes, and its presence in Hong Kong reflects the international community's confidence in us.

12. Hong Kong is also at the forefront in the field of ODR. In an increasingly digitalized world, businesses require efficient and affordable mechanism to resolve disputes. Hong Kong has opted into the APEC Collaborative Framework for ODR of Cross-Border Business-to-Business Disputes (APEC ODR Framework) since 2020. The eBRAM Centre in Hong Kong is one of the five listed ODR service providers under the APEC ODR Framework, which allows businesses from China, ASEAN, and beyond to resolve cross-border disputes quickly and cost-effectively, maintaining the rule of law in a fast-evolving digital trade environment.

13. At the same time, eBRAM also launched the GBA Online Collaborative Platform in July this year, for enhancing communication and cooperation through practical work led by senior officials. This platform seeks to improve the efficiency of resource and demand integration while systematically advancing research, talent development, and professional exchanges within the GBA. This platform would be useful for all businesses trading in the GBA.

(c) Capacity Building

14. **Third**, Hong Kong is deeply committed to capacity building. A strong legal system requires not just robust laws, but also a continuous investment in developing legal talents who will reinforce the legal system. Over the years, we have been organizing numerous conferences and workshops in collaboration with many reputable international organizations. For example, in collaboration with the ASEAN Secretariat, we organized a workshop on ASEAN Online Dispute Resolution in 2022, focusing on facilitating cross-border trade and investment for ASEAN and Hong Kong businesses. To further strengthen our capacity building efforts, we are taking forward with the establishment of Hong Kong International Legal Talents Training Academy, which will provide practical training and international exchanges for legal professionals, judges, and government officials across China, ASEAN and beyond.

15. The Academy will leverage Hong Kong's bilingual common law system to develop legal professionals proficient in international law, common law and civil law. This will also foster more legal exchanges among different jurisdictions to equip the next generation of legal professionals with greater capabilities to navigate the complexities of cross-border trade and investment in this globalized world.

Conclusion

16. To conclude, Hong Kong's unique common law system, world-class dispute resolution services, and unwavering commitment to legal capacity building position us as a vital partner in fostering cooperation between China and ASEAN in the context of RCEP. Through our shared dedication to the rule of law, we look forward to promoting a fair, predictable and reliable economic integration across our regions. At the same time, we will continue to proactively strengthen the legal infrastructure in the GBA, contributing to the China-ASEAN cooperation.

17. Lastly, I would like to take this opportunity to reiterate Hong Kong's strong commitment to joining RCEP. We have formally submitted our

request for accession in 2022. As our Chief Executive recently stated at the Hong Kong-ASEAN Summit 2024 earlier this month, Hong Kong is ready and fully prepared to join RCEP, to play an active role in realising regional integration.¹ Hong Kong's request for accession to RCEP represents our dedication to enhancing collaboration, deepening trust and ensuring that our collective economic future is built on a solid legal foundation.

18.Thank you.

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¹ <https://www.info.gov.hk/gia/general/202409/13/P2024091300213.htm>