

**Speech by Mr Rimsky Yuen, SC
Secretary for Justice of the Government of
the Hong Kong Special Administrative Region (“Hong Kong SAR”)
of the People’s Republic of China
at the Signing Ceremony of the Host Country Agreement and
the related Memorandum of Administrative Arrangements
on the Conduct of Dispute Settlement Proceedings by
the Permanent Court of Arbitration in the
Hong Kong SAR of the People’s Republic of China**

(on 4 January 2015 at The Peninsula Beijing)

(Translation)

Vice Minister Liu, Secretary General Mr Siblesz, Distinguished Guests,
Ladies and Gentlemen,

1. Good afternoon! First of all, I would like to extend our warmest welcome to all of you for attending this meaningful signing ceremony. I am very glad to see the presence of so many distinguished guests. Your presence at this ceremony to witness the signing of the Host Country Agreement and the related Memorandum of Administrative Arrangements, notwithstanding your hectic schedule, demonstrates their significance. Indeed, these two documents will facilitate the conduct of the Permanent Court of Arbitration (“PCA”)-administered proceedings in the Hong Kong SAR, as well as secure the provision of the requisite supporting services.

Permanent Court of Arbitration

2. In the past 120 years or so, PCA has been facilitating arbitration and other forms of dispute resolution amongst States. PCA

has developed into a modern and multi-faceted arbitral institution that is able to meet the rapidly evolving dispute resolution needs of the international community, whether in respect of cases involving public international law or private international law. As of now, not only does PCA provide dispute resolution services involving states, its services cover disputes involving inter-governmental organizations as well as private parties.

3. In the context of disputes between investors and states, we have seen an increasing number of such cases involving Asian parties in the past few years. The demand for arbitration services for such type of disputes in the region has accordingly increased. PCA currently has 96 pending cases and a substantial number of such cases involve one or several parties from Asia. In light of this trend, PCA does not confine the provision of its services at its headquarters in The Hague, but makes its dispute resolution services more widely accessible in Asia through the conclusion of more agreements with its member states in Asia.

4. With its central location in Asia, its robust legal system and its wealth of experience in arbitration, the Hong Kong SAR is a natural base for PCA to enhance access to its services in Asia. In fact, PCA has conducted the first hearing in the Hong Kong SAR in respect of an arbitration dispute between a foreign investor and an Asian State last year. The entire process was completed smoothly and successfully.

Hong Kong SAR as an international and regional arbitration centre

5. The Hong Kong SAR Government accords top priority to its policy of consolidating the Hong Kong SAR's status as a hub for international legal and dispute resolution services in the Asia Pacific region. Under the "One Country, Two Systems" policy, the Hong Kong SAR continues to apply common law; not only does the Hong Kong SAR enjoy judicial independence, it accords utmost importance to the rule of law, and hence is an ideal venue for conducting international arbitration.

6. The Hong Kong SAR currently has over 9,000 locally qualified lawyers (including solicitors and barristers) and over 1,300 registered foreign lawyers from 28 different jurisdictions. Besides, there is no restriction on foreign law firms engaging in international arbitration in the Hong Kong SAR.

7. Further, the Hong Kong SAR has been enhancing its legal infrastructures for alternative dispute resolution including arbitration and mediation. The current Arbitration Ordinance, which was enacted in 2010, was primarily based on the latest version of the UNCITRAL Model Law, so as to make our arbitration law more user-friendly to the international business community. Besides, arbitral awards made in the Hong Kong SAR can be enforced in 150 jurisdictions pursuant to the New York Convention. The Hong Kong SAR also provides an ideal neutral forum to facilitate resolution of disputes involving investments in the mainland, and arrangements have been concluded with the mainland on reciprocal enforcement of arbitration awards so as to ensure that arbitration awards

rendered in the Hong Kong SAR may be effectively enforced in the mainland.

8. Several renowned international legal bodies have established their presence in the Hong Kong SAR in recent years. In 2008, the International Court of Arbitration of the International Chamber of Commerce established its branch secretariat in the Hong Kong SAR, which is the very first one outside its Paris headquarters. In 2012, the China International Economic and Trade Arbitration Commission (“CIETAC”) set up in the Hong Kong SAR its first branch outside mainland China; at around the same time, The Hague Conference on Private International Law opened its Asia Pacific Regional Office in the Hong Kong SAR. Late last year, the China Maritime Arbitration Commission (“CMAC”) Hong Kong Arbitration Center was established in the Hong Kong SAR, which is also the first CMAC centre established outside mainland China.

9. With the Host Country Agreement and the related Memorandum of Administrative Arrangements, I am confident that the status of the Hong Kong SAR as an international arbitration centre in the Asia Pacific region will be further enhanced.

Conclusion

10. Ladies and Gentlemen, we are most grateful for the support that we have received for the conclusion of the Host Country Agreement and the related Memorandum of Administrative Arrangements, which will come into force upon signature today. I would like to first of all thank PCA for establishing a framework so as to facilitate the conduct of PCA-

administered proceedings in the Hong Kong SAR, which amounts to a vote of confidence in the Hong Kong SAR and its legal system. I would also like to express our utmost gratitude to the Central People's Government, especially the Ministry of Foreign Affairs (including the Office of the Commissioner of the Ministry of Foreign Affairs in Hong Kong), for its strong support and assistance throughout the process. I would of course also like to thank your interest and support by attending this ceremony.

11. In future, we will do our best to facilitate PCA's work in the Hong Kong SAR. I would also encourage you and the governments or institutions represented by you to make full use of the Hong Kong SAR's arbitration services.

12. Lastly, at the beginning of the year, may I take this opportunity to wish you all a Happy New Year and good health.

Thank you.

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