

**Speech by SJ at the “CISG in Hong Kong –
What it Means for Businesses” webinar (conducted in English)**

[Following is the speech by the Secretary for Justice, Ms Teresa Cheng, SC, at the “CISG in Hong Kong - What it Means for Businesses” webinar (conducted in English) co-organised by the Hong Kong General Chamber of Commerce and the Department of Justice today (January 26):]

Distinguished guests, ladies and gentlemen,

1. On behalf of the Department of Justice, it is my great pleasure to welcome you here online. I would also like to thank the Hong Kong General Chamber of Commerce for its joint efforts in organising this webinar titled “CISG in Hong Kong - What it Means for Businesses”.

2. The National 14th Five-Year Plan supports Hong Kong to enhance its status as an international trade centre. Closely relevant to this objective is the application of the United Nations Convention on Contracts for the International Sale of Goods (the “**CISG**”), which has been described as “the most successful substantive uniform commercial law treaty”¹. Although the CISG has entered into force for China since 1988, the Convention is currently not applicable to the Hong Kong Special Administrative Region (“**SAR**”). In line with international practice and the National Five-Year Plan, applying the CISG to the Hong Kong SAR will further its reputation as an international trade hub.

3. The Sale of Goods (United Nations Convention) Ordinance was enacted by the Legislative Council last September with the

¹ As commented by the Secretary of the United Nations Commission on International Trade Law, Ms Anna Joubin-Bret, at the 4th UNCITRAL Asia Pacific Judicial Summit in Hong Kong Legal Week 2021.

object of implementing the CISG in the Hong Kong SAR². It is envisaged that the Ordinance will come into operation in around the third quarter of 2022. To prepare for the implementation, Hong Kong businesses and their legal advisers need to be familiar with the CISG and its implications for their international sale of goods contracts.

Facilitate deal-making and reducing costs of doing business

4. There are currently 94 Contracting States to the CISG, including more than half of Hong Kong's top trading partners by total trade value. Application of the CISG to the HKSAR will allow for a uniform sales law to govern the bulk of Hong Kong businesses' international sales transactions, enabling businesses to trade with

² Subject to the completion of the relevant process under Article 153 of the Basic Law and the requisite formal notification by the Central People's Government to the Secretary-General of the United Nations (as the depositary for the CISG) for its application to the HKSAR, the CISG is expected to apply to the HKSAR with effect in around the third quarter of 2022.

their overseas counterparts on a fair and level playing field by using a sales law which are familiar to both.

5. Besides, when the CISG applies, it provides legal rules governing international sale of goods contracts and largely avoids the choice-of-law question often faced by businesses when dealing with different commercial law regimes, thereby introducing certainty in commercial transactions and decreasing transaction costs.

Conclusion

6. Application of the CISG marks an important development of our law on international sale of goods. The speakers of this webinar will give an overview of the new implementing Ordinance and share with you practical tips concerning dealings in the international sale of goods under the CISG. To assist businesses and their lawyers in getting ready for the application, and apart

from the webinar today, my Department is rolling out a series of other promotional events. You are welcome to visit our Department's featured webpage on the CISG for details of these events and practical information about the Convention.

7. Thank you very much to all of you for your attention and have a fruitful webinar.