

Keynote address by DSJ at "Resolve2Win - Legal Services of Hong Kong, Opportunities for All" in Bangkok (English only) (with photo)

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Following is the keynote address by the Deputy Secretary for Justice, Mr Cheung Kwok-kwan, at the "Resolve2Win - Legal Services of Hong Kong, Opportunities for All" in Bangkok, Thailand, today (March 16):

Distinguished guests, ladies and gentlemen,

Good afternoon. Sawadee Krub. It is my great pleasure to welcome all of you, the elites of the legal industry and business leaders from Thailand and the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR), to join me at this luncheon in the beautiful and vibrant city of Bangkok.

Hong Kong has always maintained excellent relations with Thailand, Bangkok in particular. Just four months ago in November 2022, our Chief Executive of the HKSAR, Mr John Lee, visited Bangkok as his first overseas visit since taking office to attend the 29th APEC (Asia-Pacific Economic Cooperation) 2022 with a delegation comprising 20 high-level representatives from different sectors to meet with Thai business leaders, with a view to enhancing Thai-Hong Kong's bilateral trade and business co-operation.

Business and law are intrinsically connected and always go hand-in-hand. To further strengthen the partnership between Thailand and Hong Kong, particularly in the area of legal and dispute resolution services, our over 30-person delegation, comprising representatives from the Law Society of Hong Kong and Hong Kong Bar Association, is enthusiastic to explore with our Thailand counterparts the opportunities for collaboration.

Outlook in Hong Kong - stability and prosperity

- Hong Kong under "one country, two systems"

Hong Kong is an alienable part of the People's Republic of China. At Hong Kong's 25th anniversary last year, President Xi Jinping reassured that the principle of "one country, two systems" must be adhered to in the long run.

The Basic Law guarantees the continuation of the common law system in Hong Kong. It also guarantees an independent Judiciary and power of final adjudication of our Court of Final Appeal.

In 2020, the National Security Law was enacted by the Standing Committee of the National People's Congress for HKSAR Government to effectively discharge its duty to safeguard national security.

The National Security Law has proven to be beneficial to both local and international businesses in Hong Kong. It provides stability to business operations, enterprises and investors, offers a secure environment and level-playing field for businesses to flourish. We see new capital keeps flowing into Hong Kong. Compared to the pre-implementation of the National Security Law, funds raised by IPO increased by 30 per cent, and assets managed by Hong Kong asset management industry grew by 20 per cent.

## Opportunities in Hong Kong

- Connectivity with Mainland

Hong Kong is also blessed to have the staunch support from the Central People's Government through national strategies including the 14th Five-Year Plan, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Development Plan which have injected continuous impetus to the growth of Hong Kong.

These national strategies support the development of Hong Kong in eight sectors, including financial, trade, aviation, transportation, innovation and technology, cultural exchange, intellectual property trading, and legal and dispute resolution services. All these sectors require the support of legal and dispute resolution services, and Hong Kong can offer one-stop services with our experienced and diversified talent pool.

To boost cross-border legal services, the Department of Justice established the GBA Task Force in January this year to strengthen mutual legal assistance and facilitate convergence of legal practices within the GBA, with a view to promoting co-ordinated regional economic development. Enterprises and talents can capitalise on

Hong Kong's strategic geographical location to tap into the development opportunities of the GBA and beyond.

With the unwavering support by the Central People's Government, coupled with Hong Kong's inherent unique advantages, our role as a super connector between China and the world is irreplaceable. As such, we are well suited to act as a multi-level bridge under the Belt and Road Initiative, linking countries along the Belt and Road, including Thailand, with China. Hong Kong, as a member of APEC, will continue to proactively integrate into the national development for the benefit of and to contribute to the development of the Asia Pacific community.

· Hong Kong's legal and dispute resolution services - leading legal and dispute resolution centre in the Asia-Pacific region

As the only common law jurisdiction in China, our bilingual common law system has a strong heritage and is reputable in the global community. It is resilient and adaptive to the changing needs of society and the business community. It also reinforces our role as a super connector to bridge the Mainland and global markets by facilitating Mainland enterprises to go global on one hand and bring in capital, skills and talent to the Mainland on the other. Our legal and regulatory frameworks are also in line with international norms and standards and business practices.

(a) Strong pool of legal talents

Hong Kong is one of the leading legal and dispute resolution service centres in the Asia-Pacific region. We have a strong pool of legal and dispute resolution professionals with extensive experience in handling regional and international business transactions, and who are conversant with both international practice and the Mainland's latest developments.

To date, we are home to over 70 foreign law firms from 19 jurisdictions and 1,400 registered foreign lawyers from 33 jurisdictions. Our local legal talents also serve local and international clients with a wide range of legal and dispute resolution services.

The Hong Kong Legal Hub houses and consolidates 26 local, regional and international law-related organisations under one roof, providing one-stop services

catering to the diversified needs of the clients from around the world. It provides the space required to enhance synergy between the organisations and boost opportunities for collaboration.

(b) Dispute resolution services

As you have heard from this morning's presentation, Hong Kong has steadily and progressively developed our arbitration and mediation services over the years. Putting things into perspective, on the arbitration front, parties to arbitration will have a choice from over 930 international and local arbitrators, from various legal, technical, expertise backgrounds, including some who are bilingual or even multilingual. On the mediation front, the Hong Kong Mediation Accreditation Association Limited has close to 1,800 mediators well trained and accredited on its panel from diverse backgrounds ready to mediate cases and to assist parties in reaching an amicable settlement.

(c) Arbitration

Hong Kong is certainly one of the world's key players propelling the development of arbitration. Hong Kong has one of the most comprehensive and up-to-date arbitration ordinances, and has been consistently ranked as one of the world's top three most preferred seats for arbitration. Our Judiciary is pro-arbitration and maintains a policy of minimal intervention.

As mentioned by Winnie (Barrister and International Arbitrator of Des Voeux Chambers, Ms Winnie Tam, SC) this morning, our legislative framework for arbitration stays abreast of international developments. In 2017, the Arbitration Ordinance (Cap. 609) was amended to clarify that intellectual property rights disputes may be resolved by arbitration. Third-party funding of arbitration was introduced in Hong Kong in 2017; the Outcome Related Fee Structures for Arbitration regime came into effect in 2022, providing clients and their lawyers with flexible fee arrangements.

Arbitral awards made in Hong Kong can be recognised and enforced in the Mainland, Macao and internationally. Hong Kong is the first seat of arbitration outside the Mainland where parties are able to apply directly to Mainland courts for interim measures in aid of arbitral proceedings. With these unique advantages, Hong Kong is well-placed to provide arbitration services in cases involving cross-boundary contracts signed by parties from the Chinese mainland and ASEAN (Association of

Southeast Asian Nations) member states.

Our Hong Kong International Arbitration Centre is one of the longest-standing arbitral institutions in the Asia Pacific region and is consistently recognised as one of the top three most-preferred arbitration institutions globally. The majority of the arbitrations submitted to Hong Kong International Arbitration Centre were international in nature.

#### (d) Mediation

In the earlier session this morning, Rimsky (Chairman of Hong Kong Mediation Accreditation Association and Co-Chairperson of Hong Kong International Arbitration Centre, Mr Rimsky Yuen, SC) gave an overview of the development of mediation in Hong Kong. From the enactment of the Mediation Ordinance (Cap. 620), providing the legislative framework for the conduct of mediation proceedings, to the standards setting for accreditation and training of mediators, and to the promotion of the wider use of mediation in the community, the Department of Justice has been working closely with our stakeholders to lay a good foundation to solidify the mediation culture in Hong Kong.

It is no easy path to shift from a litigious mind-set to a more amicable approach by using mediation. Over the years, we have built up our experiences and momentum to further promote the use of mediation, not only in Hong Kong, but to other jurisdictions via the "Mediate First" Pledge Campaign. I must congratulate Ms Sadiku (Accredited Civil and Commercial Mediator and Legal Counsel of Thailand Arbitration Center, Ms Ereblinda Sadiku) and the Thailand Arbitration Center, and all of today's pledgees in Thailand, in adopting the "Mediate First" Pledge and embracing it with Thailand's own version of the "Mediate First" Pledge. This also signifies a closer relationship between Thailand and Hong Kong.

On the international front, the International Organization for Mediation (IOMed) Preparatory Office was established in Hong Kong last month. Hong Kong is honoured to give support to the eventual establishment of the IOMed and appreciates the vote of confidence from the Central People's Government and the various foreign states for Hong Kong to contribute to the promotion of mediation on an international level.

#### (e) Online dispute resolution (ODR) and lawtech

Arbitration and mediation processes have been evolving with times. As presented by Pui-ki (Chief Executive Officer of eBRAM International Online Dispute Resolution Centre, Ms Emmanuelle Ta), eBRAM International Online Dispute Resolution Centre, our home-grown ODR platform provider, provides one-stop online services from the submission of a proceeding to the granting of an award or the signing of a settlement agreement, which can all be done electronically, effectively and efficiently.

(f) Skills and talent

Hong Kong places great importance in attracting talents, new investments and enterprises to set up and expand their business operations in Hong Kong, and provide immigration facilitation to persons participating in arbitral proceedings. To further enhance our competitiveness and accelerate industry development, the enhanced Pilot Scheme on Facilitation for Persons Participating in Arbitral Proceedings in Hong Kong was launched this month. This will broaden the choice of arbitrators and legal practitioners in Hong Kong.

(g) Support for new emerging markets and economy

In the last decade, we have witnessed how the exponential growth of e-commerce and the digital economy has created plenty opportunities for enterprises in the Asia Pacific region to expand their business.

In this morning's session, Tommy (Partner of Herbert Smith Freehills, Mr Tommy Tong) mentioned the record high number of start-ups in Hong Kong last year, with over 513 being fintech start-ups. Our Financial Secretary has allocated US\$6.4 million (HK\$50 million) to boost the development of Web3 industry. Fintech, virtual assets and insurtech, etc, require the support of a full-fledged legal and dispute resolution services mechanism. A new licensing regime for virtual assets service providers in Hong Kong has just come into effect earlier this month recognising crypto assets in the market.

Hong Kong is where you can start your business with ease; enjoy the simple and low tax system; and tap onto the connectivity with the Mainland. Hong Kong is where you can be certain that we have professional, efficient and trustworthy legal expertise to assist you every step of the way, be it in traditional commercial, intellectual property, insurance, maritime areas, or new areas like setting up a new fintech start-

up, protection of virtual assets, private wealth management, family offices, arts and culture.

## Closing

After three years of hiatus, Hong Kong has returned to the centre of the international stage with boundless opportunities awaiting. My first trip to Bangkok with the Hong Kong delegation is only a start to building stronger and closer ties with Thailand, not only on a government to government level, but also for professionals of Hong Kong and Thailand to foster exchanges and continuing friendship.

Last month, Hong Kong launched the "Hello Hong Kong" campaign to welcome visitors to Hong Kong. The Department of Justice has also lined up a number of exciting events which are to take place in Hong Kong later this year, including the "Mediate First" Pledge Event on May 5, 2023, and our annual flagship event, the Hong Kong Legal Week from November 6 to 10, 2023. We look forward to welcoming you with a big "Hello" to Hong Kong. Thank you.

Ends/Thursday, March 16, 2023