

**Speech by SJ at CIETAC Investment Arbitration Seminar and Award Ceremony for The 15th edition of the Frankfurt Investment Arbitration Moot Court – CIETAC Chinese (Mainland) National Rounds (English only) (with photo)**

Following is the speech by the Secretary for Justice, Mr Paul Lam, SC, at CIETAC Investment Arbitration Seminar and Award Ceremony for The 15th edition of the Frankfurt Investment Arbitration Moot Court – CIETAC Chinese (Mainland) National Rounds today (May 12):

Mr Wang Chengjie (Vice Chairman and Secretary-General of the China International Economic and Trade Arbitration Commission (CIETAC)), Professor Reyes, distinguished guests, ladies and gentlemen,

Good evening. It gives me great pleasure to welcome all of you to this meaningful event. Let me begin by congratulating all the winners for their good work, and expressing my gratitude to the arbitrators and judges who have supported this event. I also thank the CIETAC Hong Kong Arbitration Center for their continuous effort in developing young talents in investment arbitration.

Arbitration is well-known for its respect for party autonomy, neutrality, flexibility and international enforcement. With the robust growth of cross-border investment, arbitration has emerged as one of

the most popular mechanisms to resolve investor-state disputes, which coincides with the theme of this moot competition.

## Development of arbitration in Hong Kong

Under the principle of “one country, two systems”, Hong Kong enjoys many unique advantages one of which is our common law system. Our legal service has always enjoy a very high reputation. In 2021, Hong Kong was ranked the third most preferred seat for arbitration globally. We have a sound and comprehensive legal framework for arbitration based on the UNCITRAL Model Law. Continuous refinements are being made to Hong Kong’s arbitration law to reflect the prevailing international best practice.

I am happy to share with you all some recent remarkable development of arbitration in Hong Kong. Last year, a new law was passed to permit lawyers and clients to enter into outcome related fee structure agreements for arbitration. Coupled with the third party funding regime for arbitration, multiple funding options are available in Hong Kong for the conduct of arbitrations. These funding options meet clients’ needs for flexible fee arrangements and promote greater access to justice.

Hong Kong is home to a deep pool of legal and dispute resolution talents. We very much welcome regional and overseas professionals to take part in arbitrations in Hong Kong. A Pilot

Scheme<sup>1</sup> was launched in 2020 to provide immigration convenience for some non-Hong Kong residents to participate in arbitral proceedings in Hong Kong on a short-term basis. Arbitrators, expert and factual witnesses, counsel and parties to arbitration may visit Hong Kong without the need to obtain any employment visa. Upon a recent review, the Pilot Scheme is now extended to cover all visitors including residents of the Mainland, Macao and Taiwan.

### Collaboration with the Mainland

With the Interim Measures Arrangement coming into effect in 2019, Hong Kong has become the first jurisdiction outside the Mainland where parties to arbitral proceedings administered by the designated arbitral institutions would be able to apply to the Mainland courts for interim measures. This has become a popular and effective tool to protect and preserve assets in cross-border arbitrations.

Besides arbitration, mediation is also becoming a popular mode of alternative dispute resolution. I look forward to hearing from Professor Reyes on his views on the use of mediation in Investor-State Disputes. Since 2018, the Department of Justice (DoJ) has organised the inaugural Investment Law and Investor-State Mediator Training with a view to building up a team of investment

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<sup>1</sup> Pilot Scheme on Facilitation for Persons Participating in Arbitral Proceedings in Hong Kong

mediators for the Asia-Pacific region. Looking ahead, the DoJ continues to organise the Training in the latter half of 2023 and early 2024.

In addition, the DoJ will launch the “Hong Kong Legal Services Forum” in Chengdu in the third quarter of 2023. The Forum is one of our flagship events to promote Hong Kong’s legal and dispute resolution services in the Mainland. The Forum will bring together seasoned legal professionals from Hong Kong to promote the strengths of our international legal and dispute resolution services including latest developments to Mainland enterprises and users. We trust that these events will be an invaluable opportunity for practising and aspiring lawyers like you to exchange ideas with our top-notch legal and arbitration professionals.

To conclude, Hong Kong has endeavored to explore new initiatives to strengthen its position as a leading centre of international legal and dispute resolution services in the Asia-Pacific region, and will continue to do so. Last but not the least, I wish to congratulate all participating teams and to CIETAC for the successful organisation of this wonderful competition. Thank you very much.