

Speech by DSJ at International Symposium on Global Corporate Restructuring Center
(English only) (with photo)

Following are the opening remarks by the Deputy Secretary for Justice, Dr Cheung kwok-kwan, at the International Symposium on Global Corporate Restructuring Center today (July 6):

The Honourable Professor Leung (Hong Kong Special Administrative Region (HKSAR) Deputy to the National People's Congress, Member of the HKSAR Basic Law Committee of the Standing Committee of the National People's Congress and Member of the Legislative Council, Professor Priscilla Leung) , Dr Sun Jin (Director-General of the International Organization for Mediation Preparatory Office), distinguished guests, ladies and gentlemen,

Good morning. It is my honour to join this International Symposium on Global Corporate Restructuring Centre. We all know that today's global economy is interconnected yet volatile. In order to maintain financial stability and investor confidence, we must keep abreast with market changes and cope with the need of cross-border businesses.

Corporate restructuring is inherently a crucial strategic tool wielded in financial distress, which is vital for survival, renewal and resilience of the businesses. Indeed, successful restructuring preserves value of the businesses. Successful restructuring protects jobs of the employees. Successful restructuring instills confidence of the creditors. In short, successful corporate restructuring allows businesses to navigate adversity and becomes stronger for sustainable growth.

Hong Kong is unique in the sense that it is the only common law jurisdiction in China and is deeply integrated with the Mainland market. It is therefore ideally positioned as a global centre for corporate restructuring. Now, I would like to outline how Hong Kong's legal system delivers unparalleled advantages for business and investment, corporate restructuring and dispute resolution across Asia and beyond.

The Foundation: "one country, two systems" and Common Law

Hong Kong's distinctiveness lies in the framework of "one country, two systems", which preserves the common law system which is highly regarded by international community and reinforce our unique position to bridge the East and the West. This is not just theoretical - it translates into tangible expertise through our 13 000 solicitors and barristers, 560 Hong Kong lawyers licensed to practice in the Greater Bay Area (GBA), as well as 1 500 registered foreign lawyers, many of whom are multilingual and qualified in multiple jurisdictions. The accounting profession also plays a crucial role in corporate restructuring. We currently have over 6 500 establishments providing accounting, auditing and tax consultancy services. The Hong Kong Institute of Certified Public Accountants boasts a membership of over 47 000, who are recognised globally in such diverse places as Australia, Canada, England and Wales, South Africa etc.

What does this mean? When international investors face cross-border restructuring or insolvency, they can count on our professionals who master common law principles and international standard as well as the complexities of the Mainland market.

Connectivity: Mutual Legal Assistance

Such expertise is amplified by Hong Kong's unmatched connectivity with the Mainland, offering effective pathways through nine mutual legal assistance arrangements in civil and commercial matters.

Consider this: a European investor restructuring a Mainland-based joint venture could gain critical tools simply by choosing Hong Kong.

Firstly, in assets preservation, businesses may obtain Mainland court orders to freeze assets or preserve evidence — a relief which is not available for arbitration seated in common law jurisdiction other than Hong Kong.

Secondly, in direct enforcement: Businesses may enforce Hong Kong arbitral awards and court judgments in the Mainland, the coverage of which is the widest globally, including judgments on intellectual property rights which are not covered in international conventions.

Thirdly, streamlined restructuring and liquidation: A Hong Kong-appointed liquidator can access Mainland courts in Shenzhen, Shanghai and Xiamen to take control of the

company's assets and records in the Mainland, facilitating an effective corporate restructuring or at times, winding up.

This seamless integration makes Hong Kong the optimal choice for business and investment and also cross-border restructuring with Mainland elements.

Dispute Resolution: Arbitration and the New Era of Mediation

Our advantages also extend to dispute resolution. The evidence is compelling — Hong Kong ranked globally number two as an arbitration seat under the 2025 Queen Mary University of London and White & Case International Arbitration Survey; last year, over 76 per cent of the cases handled by the Hong Kong International Arbitration Centre were international, with claims averaging HK\$375 million, reflecting international trust in Hong Kong's role in high-stakes cases.

We recognise that modern challenges require diverse solutions, which is why we are promoting mediation in the Greater Bay Area. The recent establishment of the International Organization for Mediation (IOMed) in Hong Kong highlights this commitment, as the city positions itself as the capital of mediation.

In terms of local capacity building, we have generally mandated mediation clauses in government contracts and have been enhancing training of mediators.

For regional integration, we are closely collaborating with our GBA partners to deploy Hong Kong mediation organisations to handle commercial mediation cases as referred to by the GBA courts; export Hong Kong's best practice to develop GBA standard, including specialised mediation rules; and establish a unified GBA Mediators Panel for cross-border expertise.

The Greater Bay Area: Where Policies Meet Practice

These initiatives reflect Hong Kong's strategic role in the GBA. Innovative policies have created unprecedented opportunities.

For example, a Shenzhen company with Hong Kong shareholders of any investment ratio can now choose Hong Kong law to govern contracts, and choose Hong Kong as the

arbitration seat. And the impact is visible: international investors can benefit from comprehensive legal protection under Hong Kong's common law regime while navigating in Mainland's dynamic markets with certainty and efficiency.

In an era of growing complexity, businesses need to anchor in a jurisdiction that offers stability and connectivity. Hong Kong delivers precisely this – a common law system integrated with the world's second largest economy, powered by world-class professionals conversant in global commerce and a robust and reliable dispute resolution mechanism.

Ladies and gentlemen, I am sure you would fully explore the China advantages and the international advantages offered by Hong Kong in today's Symposium. The Government will continue to solidify Hong Kong's role as the premier global hub for business and investment. We support business ventures at every stage – from set-up, financing, management and operation to disputes resolution and restructuring.

On this note, I wish this Symposium every success. Thank you very much.

Ends/Sunday, July 6, 2025