

Speech by DSJ at "The Belt, the Road, the Future" Conference (English only)(with photo)  
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Following is the keynote speech by the Deputy Secretary for Justice, Dr Cheung Kwok-kwan, at the "The Belt, the Road, the Future" Conference today (September 22):

Lora (President of the Hong Kong Federation of Women Lawyers, Ms Lora Yip), honourable guests, distinguished colleagues, ladies and gentlemen,

I am most happy to join "The Belt, the Road, the Future" Conference co-organised by the Hong Kong Federation of Women Lawyers and the AALCO (Asian-African Legal Consultative Organization) Hong Kong Regional Arbitration Centre.

Today, I would like to share my perspectives on Hong Kong's pivotal and enduring role under the Belt and Road Initiative.

Immense opportunities from the Belt and Road Initiative

The Belt and Road initiative, a historic endeavor proposed twelve years ago, has been transformed from a vision for joint contribution into concrete actions, and from a blueprint into reality. Today, the Belt and Road initiative has been conducive to policy coordination, facilitates connectivity, unimpeded trade, financial integration and people-to-people bonds between China and the rest of the world.

Hong Kong has long been an ideal Belt and Road Hub. Let me share with you some figures on how well we have been doing. Hong Kong's external trade with Belt and Road countries exceeded US\$276 billion last year, representing an increase of about 80 per cent since 2013. Some 1 400 companies from Belt and Road countries have established a base in Hong Kong to seize these opportunities, including over 100 listed on the Hong Kong Stock Exchange and more on the pipeline.

We are also seeing growing numbers of Chinese Mainland enterprises using Hong Kong as a gateway for overseas expansion along Belt and Road routes, confirming our role in converging and deploying capital.

Hong Kong's unparalleled advantages – four "C"s

I would venture to suggest Hong Kong is the preferred Belt and Road partner – to both Chinese Mainland and overseas enterprises. I would summarise my proposition in 4 "C"s.

The first "C" is our Country's support. Thanks to its "one country, two systems" framework, investors and businesses benefit from our robust common law system and credible judiciary which exercises independent judicial powers. They can use Hong Kong as a bridge into the Chinese Mainland while enjoying the familiarity, flexibility, and credibility of our common law system.

"one country, two systems" is constitutionally entrenched in the Basic Law and as remarked by the President Xi Jinping, it is a policy to stay in the long run and more importantly, this principle embodies universal values like openness, inclusiveness, and peace — values that are important not only for China, but for the world. These values are indeed central to the Belt and Road Initiative.

The recent decision by China and some other 30 countries to establish the International Organization for Mediation here in Hong Kong — creating the world's first intergovernmental mediation institution — is a powerful testament to the global confidence in our legal infrastructure.

The second "C" is competitive investment environment. With a world-class tax regime in place, Hong Kong offers one of the most competitive and straightforward tax systems globally. Supported with a comprehensive network of double taxation agreements spanning 53 jurisdictions, we provide a predictable and efficient fiscal environment. It is no accident that we ranked the first for our tax policy under the most recent survey by the IMD, the International Institute for Management Development based in Switzerland, on global competitiveness.

The third "C" is our capital market – robust and vibrant. Hong Kong, as one of the world's leading financial centres, is a powerhouse for structuring and financing major Belt and Road ventures. Initiatives like the US\$1 billion Belt and Road HK Flagship Impact Fund demonstrates our commitment to sustainable project finance. Landmark IPOs (initial public offerings), such as the recent listing of Contemporary Amperex Technology Co., Limited— a global leader in battery technology and a key supplier to Tesla — highlight our market's ability to support high-growth companies.

Under the Basic Law, free flow of capital is guaranteed. Investments and properties in Hong Kong are well protected by a robust regulatory regime administered by bodies such the Securities and Futures Commission and our Independent Commission Against Corruption. This is very important to underpinning a safe and fair environment for sustainable development.

Last but not least, "C" for connectivity. Geographically, Hong Kong can reach all key markets in Asia within four hours. Within five hours, we can reach one fifth of the world's population.

In terms of legal framework, we offer unique linkage with the Chinese Mainland and other major trading partners. Hong Kong is the only common law jurisdiction where arbitral parties can apply directly to Mainland courts for interim measures for protection of assets. We are also the only common law jurisdiction with reciprocal enforcement of judgments with the Mainland, including cases on intellectual property rights.

At the same time, we are growing our network globally, evidenced by free trade agreements with 14 Belt and Road countries, investment agreements with about 20 Belt and Road

economies, as well as Comprehensive Double Taxation Agreements with 37 Belt and Road jurisdictions.

More importantly, our laws are aligned with international standards. For example, since 2022, we have implemented the UN (United Nations) Convention on Contracts for the International Sale of Goods. Our arbitration regime is based on UNCITRAL (United Nations Commission on International Trade Law) Model Law.

Navigating the currents, seizing the opportunities – two "C"s

Yet, amidst these unparalleled advantages, the global landscape today presents complex challenges. Geopolitical tensions and economic fragmentation threaten the very connectivity the Belt and Road Initiative seeks to build. For the legal sector, this is a time for reinvention so that we could help provide the stability and clarity that international business needs. To navigate these currents and seize the immense opportunities ahead, I would like to offer two other "C"s as actionable suggestions.

First, to cultivate cross-border and cross-disciplinary expertise. The intricate web of Belt and Road projects demands lawyers to act as strategic advisors equipped to handle multi-jurisdictional regulatory hurdles, complex financing structures, and diverse cultural expectations.

Hong Kong, as an international legal hub, is most fitted to take on a pro-active role in forging collaboration, both with the Chinese Mainland and overseas partners. We are home not only to a strong pool of local lawyers, but also more than 1 500 foreign lawyers from around 45 jurisdictions, including some 500 from the Chinese Mainland as well as more than 80 foreign firms with offices in Hong Kong. What is more, Hong Kong law firms are operating more than 380 offices overseas, again including some 80 in the Chinese Mainland. We are privileged to have a unique team of over 600 GBA lawyers with dual qualifications to practice in both the Chinese Mainland and Hong Kong. These numbers convince us Hong Kong is the ideal place to provide one-stop but cross-jurisdictional legal services with a strong network in China and beyond.

Supporting enterprises investing along the Belt and the Road not only requires navigation by legal professionals, but also other professions like financial advisors, accountants, auditors and tax experts. Luckily, Hong Kong offers much in this aspect too. We have over 6 500 such establishments like accountancy firms and over 47 000 members under the Hong Kong Institute of Certified Public Accountants who are accorded recognition on five continents, pursuant to agreement with overseas counterparts including Australia, England and Wales and South Africa.

In the Policy Address 2025 announced by the Chief Executive days ago, I am tasked to promote Hong Kong's legal services and co-ordinate with other professional services, such as accounting and finance services, so as to proactively engage with Mainland enterprises to meet their needs in going global.

On this, I shall work closely with the distinguished audience today and many other stakeholders. I am confident that with a deep pool of internationally competitive talents, ranked first in Asia and fourth globally under the latest IMD World Talent Ranking, Hong Kong offers comprehensive and reliable solutions to enterprises investing along the Belt and the Road, safeguarding their interests and achieving mutual development.

My second suggestion is to champion constructive dispute avoidance and resolution. The ability to prevent and resolve conflicts efficiently and fairly is paramount to Belt and Road projects. For any Belt and Road cooperation to thrive, agreements must be cemented as legally enforceable contracts. With parties and projects spanning multiple jurisdictions, the choice of governing law becomes a fundamental decision.

Hong Kong law stands as a premier choice, offering the neutrality, sophistication, and global credibility these projects require. In addition, choosing Hong Kong as the venue for dispute resolution is also an unrivalled option.

We are advocating facilitative measures to create more room for enterprises to choose Hong Kong law and Hong Kong dispute resolution mechanism. For example, since mid-February this year, Hong Kong enterprises, including companies with some Hong Kong interests irrespective of the ratio, set up in Shenzhen and Zhuhai, now enjoy the option to choose Hong Kong law as the governing law of their contracts with other Mainland enterprises, and to choose Hong Kong as the seat of arbitration for resolving disputes.

As I have just mentioned, the establishment of the International Organization for Mediation is a monumental step forward. Let us leverage this, alongside our effective frameworks for enforcement of arbitral awards and judgements with the Mainland and the rest of the world, to offer a trusted, neutral forum that effectively resolves conflicts and supports sustainable growth.

By championing constructive resolution and cultivating stronger collaboration, Hong Kong is uniquely positioned to offer an actionable framework to benefit from the Belt and Road Initiative. Combining "China advantage" and "global advantage", we can turn challenges into opportunities, ensuring that the Belt and Road's vision of shared prosperity is realised through the rule of law, mutual respect, and the unwavering commitment of our legal sector and other professions to building bridges, not walls. Thank you.