Speech by Acting SJ at "Decoding the Global Asset Development Strategy: Offshore Structure Formation, Governance, and Cross-Border Dispute Resolution" conference (English only)
****

Following is the speech by the Acting Secretary for Justice, Dr Cheung Kwok-kwan, at the "Decoding the Global Asset Development Strategy: Offshore Structure Formation, Governance, and Cross-Border Dispute Resolution" conference today (October 23):

Mr Ma Yi (Vice-Chairman, Shanghai International Arbitration Center, Chairman of the Board of Directors, Shanghai International Arbitration (Hong Kong) Center), distinguished guests, ladies and gentlemen,

Good afternoon. It is a pleasure to join you for today's event during the Hong Kong Arbitration Week. I was delighted to witness the inauguration of the Shanghai International Arbitration Center (SHIAC) Hong Kong in May last year and remain very pleased to see its remarkable progress since then.

As we navigate a world of evolving regulatory order and shifting geopolitical dynamics, Hong Kong's common law regime underpinned by "one country, two systems" offers a solid foundation for global asset strategies. Let me highlight three key aspects.

First, the ease of doing business in Hong Kong. Our simple tax system, streamlined process for company registrations and low setup costs create a truly supportive environment for growth. Ranked third globally as a premier international financial centre, we provide a highly internationalised fundraising market, the world's largest offshore RMB platform, and a robust regulatory regime. With no capital control, Hong Kong stands as the freest economy and hence the best destination for asset management. Over 200 family offices have set up or expanded here, further cementing our position as Asia's largest wealth management hub, with assets under management growing 13% year-on-year. Hong Kong is predicted to overtake Switzerland as the world's largest wealth management centre within the next few years, benefiting from enormous wealth creation across Chinese Mainland and the wider Asian region.

Second, our credible common law regime with effective linkage with the Chinese Mainland. We have a highly reputable and credible judiciary. Hong Kong's substantive laws on commerce, trade, maritime matters etc. are internationally compatible. Moreover, we have built invaluable "legal bridges" with the Chinese Mainland.

Hong Kong is the only common law jurisdiction where parties to arbitrations seated here can have direct access to Mainland courts for interim protective measures, and where parties can seek enforcement of a wide range of civil and commercial judgments in the Chinese Mainland.

In terms of regulatory interface, the recent extension of the measures of "Choose HK Law" and "Choose HK Arbitration" is most welcomed by business sectors both in Hong Kong and overseas. These measures enable Hong Kong-invested companies set up in cities like Shenzhen or Zhuhai, irrespective of shareholding, to enjoy greater flexibility in choosing Hong Kong law to govern their contracts and in seating their arbitration in Hong Kong.

Careful planning of investment structure, rigorous due diligence, as well as strategic dispute avoidance and resolution are essential tools for businesses to thrive. This brings me to the last factor – talent.

Hong Kong is home to a deep pool of professionals. We have a strong team of local, GBA and foreign lawyers including around 80 foreign law firms and over 1600 foreign lawyers from over 40 jurisdictions. Aside from the newly set up IOMed (International Organization for Mediation), we are home to many leading international and regional arbitration institutions, including those from the Chinese Mainland, like for example, SHIAC.

Furthermore, Hong Kong is also rich in experts in finance, accountancy, business consultancy, intellectual property among other fields, all equipped with a strong international perspective and valuable Mainland experience.

This comprehensive "HK team of professionals" is uniquely positioned to assist businesses in strategically navigating the opportunities in and beyond the Greater Bay Area.

Looking ahead, the Department of Justice is committed to strengthening collaboration across the legal and other professional sectors, supporting Mainland businesses to go "offshore" and foreign businesses to invest "onshore" in the Chinese Mainland.

On this note, I wish you a most successful event. Thank you.