Speech by SJ at ALB Hong Kong In-House Legal Summit 2026 (English only) (with photo)
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Following is the speech by the Secretary for Justice, Mr Paul Lam, SC, at the ALB Hong Kong In-House Legal Summit 2026 today (September 10):

Distinguished guests, ladies and gentlemen,

Good morning. It is a great pleasure to join you today at the Asian Legal Business (ALB) Hong Kong In-House Legal Summit 2026.

Asia has emerged as one of the world's most dynamic economic regions. Rapid digital transformation, cross-border investment growth, tightening regulatory frameworks, and rising environmental, social, and governance (ESG) standards have all made the business landscape more complex. In this fast-changing environment, the role of in-house lawyers has evolved dramatically from providing traditional legal support to strategic business advice.

As in-house lawyers, you provide legal assessments that guide market entry, cross-border transactions, and regulatory compliance while pursuing business interests in accordance with the law. The breadth of topics today reflects the complexity of your daily work. Indeed, they are all highly relevant and important to you as in-house counsel.

Artificial intelligence (AI) is no doubt a strategic priority worldwide. Getting AI governance right is a prerequisite for responsible data transfers and maintaining the trust of counterparties. Both are essential for businesses operating in different countries in today's global economy. Hong Kong's approach to AI governance is facilitative yet properly controlled. We aim to enable innovation to flourish while safeguarding the legitimate interests of all stakeholders. In this regard, the Government has set up the Inter-Departmental Working Group to Review Legislation to Support Wider Application of AI, led by the Department of Justice (DoJ), to review our laws to ensure that they will keep pace with the rapid technological change. The review will cover numerous areas of common concern such as data privacy, intellectual property rights in AI-generated works, and cybersecurity risks caused by AI-enabled fraud.

Of the many challenges faced by enterprises expanding overseas, sanctions and export controls are particularly prominent. Recent developments in international geopolitics have created immense legal and operational implications as well as uncertainties. As the only common law jurisdiction within China serving as an international legal and dispute resolution services centre, Hong Kong's position on foreign sanctions is crystal clear and based on well-established principles of public international law. Save and except sanctions imposed by the United Nations Security Council which will be enforced under the United Nations Sanctions Ordinance (Cap. 537), unilateral foreign sanctions will not be recognised and will not have any legal force in Hong Kong.

Another notable area is digital assets. Hong Kong is committed to becoming a leading hub for digital assets. The Government's recent consultations on regulating over-the-counter dealing, custody, advisory, and management services for virtual assets seek to provide a clear and robust framework. This framework is essential to the utilisation of digital assets in a proper and orderly manner. Your organisations' operations may need to be reviewed to prepare for the new licensing rules. These recent developments underscore the importance of in-house counsel in conducting due diligence on market entry projects, steering through regulatory requirements, and guiding the organisation through the complexities of this emerging asset class, and ensuring compliance with the applicable laws and regulations.

With the Hong Kong Exchanges and Clearing Limited introducing climate reporting standards aligned with the International Sustainability Standards Board, alongside global supply chain regulatory updates, ESG has evolved from a voluntary initiative into a core governance requirement. Globally, regulators, investors and consumers are demanding greater environmental responsibility. For in-house counsel, this means embedding sustainability into corporate governance, mitigating greenwashing risks, and securing access to international capital. Along this trend, the National 15th Five-Year Plan has set a clear target for carbon peaking, responding to market demand for greater environmental accountability. Hong Kong aims to achieve similar goals.

Currently, the Government is reviewing the Competition Ordinance with a view to criminalising certain serious anti-competitive conduct, in particular, bid-rigging. This change aims at converting what is, presently, a purely civil matter, into one with potential criminal liability. Such a development will increase the importance of complying with our competition law through proper and sufficient procurement procedures, internal policies and training. In-house lawyers clearly play an important role in this respect.

The Government has improved employees' protection by introducing the new "468 Rule" that lowers the threshold for part-time workers to qualify for statutory benefits, and the abolition of the MPF (Mandatory Provident Fund) offsetting arrangement. These changes affect workforce costs and employee relationships. Your guidance on these new laws would help your enterprises to stay compliant, avoid disputes, and manage costs effectively.

I would also like to take the opportunity to share with you some recent developments which will be of interest to in-house lawyers. First, on August 28, the Standing Committee of the National People's Congress of the People's Republic of China (PRC) passed the amendments to the Lawyers Law of the PRC , which, among other things, regularise the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) lawyers' scheme. The GBA lawyers' scheme allows Hong Kong legal practitioners to practise Mainland civil and commercial law in the nine Mainland cities in the GBA. This means that, first, many of you may become qualified to practise civil and commercial law in the GBA under the scheme; and second, your organisations may engage GBA-qualified lawyers to advise on cross-border issues involving both Hong Kong law and Chinese Mainland law in one go.

Hong Kong and the Chinese Mainland have so far signed 10 arrangements on mutual legal assistance in civil and commercial matters. The latest one was signed on April 20. And that is the new Arrangement on Mutual Service of Judicial Documents in Civil and Commercial Proceedings between the Mainland and the Hong Kong Special Administrative Region. It is not an entirely new agreement, but an enhanced version increasing the modes of service, offering more options and flexibility to promote timely and efficient handling of cross-border civil and commercial proceedings. It will come into effect after the completion of the relevant local legislative procedures in Hong Kong.

Since February 2025, the scope of application of the measure of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" has been extended from Qianhai, Shenzhen, to the two municipalities of Shenzhen and Zhuhai, while the measure of "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong as the seat of arbitration" has been extended from the Pilot Free Trade Zones in the Chinese Mainland to include the nine Mainland municipalities in the GBA. Any organisation falling within the scope of these measures now has more options in determining the governing law as well as the dispute resolution clause in its contracts, which is an important part of risk management.

The Hong Kong International Legal Talents Training Academy under the DoJ is dedicated to providing capacity-building programmes, some of which may be of assistance to in-house counsel. For example, on August 21 and 22, about 400 persons, some of them may be in-house lawyers, attended a practical training course on Chinese Mainland Civil and Commercial Laws in Hong Kong at which senior judges from the Chinese Mainland were invited to speak.

Having regard to the important role played by in-house lawyers, the DoJ is keen on building a closer relationship with in-house lawyers in order to better understand and address your concerns. I would like to conclude by inviting you to attend the Hong Kong Legal Week 2026 organised by the DoJ to be held between November 2 and 6. You will be able to find out the details on our designated website for the Legal Week.

Lastly, I wish you all a very constructive and productive summit. Thank you.

Ends/Thursday, September 10, 2026