For discussion on 28 April 2025

Legislative Council Panel on Administration of Justice and Legal Services

<u>Cultivation of International First-class Law Firms and</u> <u>Arbitration Institutions</u>

Purpose

To facilitate the Panel Members' discussion of the captioned subject, this paper seeks to provide an overview of:

- (i) cultivation of legal professionals in Hong Kong;
- (ii) legal co-operation in Greater Bay Area or between Hong Kong and the Mainland; and
- (iii) cultivation of arbitration institutions.

Cultivation of Legal Professionals in Hong Kong

- 2. Legal professionals in Hong Kong are highly regarded by the international community and possess the ability to provide a wide range of high quality legal services. They possess strong business acumen and strong knowledge in international business and commercial law. They have extensive experience in dealing with legal matters in different fields. Many top international law firms and international legal organizations, including The Hague Conference on Private International Law, have chosen to set up regional offices in Hong Kong to provide high-quality and diverse legal and dispute resolution services.
- 3. The legal profession in Hong Kong, which comprises solicitors and barristers, may undertake a wide range of practices across various areas of law and in different forms of dispute resolution including litigation, arbitration and mediation. There are 11,600 solicitors holding current practising certificates¹

¹ Figures obtained from The Law Society of Hong Kong's website: https://www.hklawsoc.org.hk/en/Serve-the-Public/The-Law-List/Members-with-Practising-Certificate (last accessed on 2 April 2025).

and 1,726 practising barristers² as at the beginning of April 2025.

4. There are different admission requirements and practice mode for the two branches of the legal profession. Such requirements are provided in the Legal Practitioners Ordinance (Cap. 159). Pursuant to Cap. 159, the two professional bodies, namely the Law Society of Hong Kong ("Law Society") and the Hong Kong Bar Association ("Bar Association"), are vested with the power to regulate solicitors and barristers in areas such as practice, conduct, discipline, examination and continuing education by way of subsidiary legislation. Cap. 159 stipulates that the rules and regulations made by the Law Society and the Bar Association require the prior approval of the Chief Justice.

(a) Self-regulatory Regime of the Profession

5. Under the self-regulatory regime for Hong Kong's legal profession, the Law Society and the Bar Association must exercise its powers and perform its functions independently in compliance with the relevant laws. Against this vital principle, any reform or development proposal regarding the legal profession should be initiated by the legal professional bodies. The Department of Justice ("DoJ") has been maintaining close communication and cooperation with the two legal professional bodies in promoting legal services, fostering an environment conducive to the development of the legal profession, and creating more opportunities for the sector through various initiatives and new policies. The Government will continue to support and facilitate reform proposals which have gained the consensus of the legal profession, especially when they involve amendments to existing legislation.

(b) Solicitors – General Requirements

6. The Court of First Instance ("**the Court**") may admit as a solicitor a person who the Court considers is a fit and proper person to be so admitted and who has complied with requirements prescribed by the Council of the Law Society with respect to the employment as a trainee solicitor, passing of examinations and completion of courses.³

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Figures obtained from the Hong Kong Bar Association's websites: http://www.hkba.org/Bar-List/junior-counsel; http://www.hkba.org/Bar-List/senior-counsel (last accessed on 2 April 2025).

³ Section 4(1)(a) of Cap. 159.

7. A person who applies for admission as a solicitor would also need to satisfy the requirements under the Admission and Registration Rules (Cap. 159B)⁴ and one of the residency requirements stipulated in Cap. 159⁵.

(c) Solicitors – Practice Mode⁶

- 8. In order to practise as a solicitor, a person must:
 - (i) have his name for the time being on the roll of solicitors;
 - (ii) not be suspended from practice;
 - (iii) have in force a current practising certificate issued by the Law Society; and
 - (iv) have complied with the requirement to take out professional indemnity insurance or have been exempted from the requirement.⁷
- 9. A Hong Kong law firm can operate in sole proprietorship or in partnership. In sole proprietorship, solicitors are personally liable for their professional liability to the extent of their assets. In a partnership, each partner is liable to the full extent of his partnership and private assets for any professional liability incurred by the partners, or their employees. Solicitors practising in a partnership can share the profits and expenses of the law firm in accordance with the partnership agreement drawn up by themselves. As at 31 March 2025, the numbers of sole-proprietor firms and partnership firms that are between 2 and 5 partners in size are 417 and 399 respectively.

(i) he has resided in Hong Kong for at least 3 months immediately before the date on which he applied for a certificate of eligibility for admission;

(iv) he has been present in Hong Kong for at least 180 days of each of at least 7 years.

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⁴ The requirements include obtaining the required certificates from the Law Society, submitting the prescribed forms and motion papers, and paying the prescribed fees.

⁵ Section 4(1A) of Cap. 159 provides:

⁽ii) he intends to reside in Hong Kong for at least 3 months immediately after his admission;

⁽iii) he has been ordinarily resident in Hong Kong for at least 7 years; or

The practice of solicitors is governed by the Solicitors' Practice Rules (Cap. 159H) which have detailed provisions relating to matters such as their general conduct, prohibition against publicity, name of firm, letterhead, fee cutting, supervision of office and control of employment of unqualified staff

⁷ Section 7 of Cap. 159.

- 10. The Legal Practitioners (Amendment) Ordinance 2012 came into effect on 1 March 2016, allowing law firms in Hong Kong to operate in the form of a limited liability partnership ("LLP"). As regards an LLP which is constituted and operates according to the requirements of Cap. 159, its partners are, subject to certain conditions⁸ and limitations⁹, not personally liable for any of its liability that arises from the provision of professional services by the LLP and as a result of the negligent or wrongful acts or omissions, or misconduct of another partner, an employee, agent or representative of the LLP not directly supervised by him. A number of consumer protection safeguards are also built into Cap. 159.¹⁰
- 11. With regard to the recent development of solicitors practising as a solicitor corporation, the Council of the Law Society whom is conferred power by Cap. 159 to make rules concerning solicitor corporations and foreign lawyer corporations has obtained the Chief Justice's approval-in-principle to the Solicitor Corporation Rules, Foreign Lawyer Corporation Rules and consequential amendments to 17 pieces of subsidiary legislation under Cap. 159 on 10 March 2025. The legislative timetable for the relevant subsidiary legislation (including submission of the final version of the draft rules to the Chief Justice for final approval and submission of the rules to the Legislative Council for the "negative vetting" procedure after obtaining the said approval) is driven and led by the Law Society. The DoJ will maintain close communication with the Law Society and, upon request by the Law Society, provide assistance on law drafting and legislative procedures for the subsidiary legislation. If consequential amendments to provisions of Cap. 159 are required to be made, DoJ will consider the Law Society's proposal with a view to introducing an additional choice of mode of practice for the legal sector as soon as practicable.

For example, at the time of the firm's default, the client knew or ought reasonably to have known that the firm was an LLP.

⁹ For example, the relevant provisions do not protect an LLP partner's interests in the partnership property.

One key measure is that, apart from the normal statutory professional indemnity coverage that law firms are required to maintain in general, an LLP must take out a top-up insurance for an additional indemnity coverage of HK\$10 million in respect of any one claim.

(d) Solicitors – Higher Rights of Audience

12. The Legal Practitioners (Amendment) Ordinance 2010, which took effect in June 2012, lifted the restriction against solicitors from representing their clients in our higher courts. It enables solicitors who meet the eligibility requirements and other relevant conditions in Cap. 159 to apply to the Higher Rights Assessment Board for higher rights of audience before the Competition Tribunal, High Court and the Court of Final Appeal. As at 15 April 2025, there are 102 solicitor advocates.

(e) Barristers – General Requirements

- 13. The Court may admit a person from any jurisdiction to be a barrister if he is considered to be a fit and proper person and has complied with the requirements, passed the examinations and paid the fees prescribed by the Bar Council.¹¹
- 14. In addition, a person who seeks admission as a barrister shall enter into pupillage for a period of not less than 1 year in the chambers of a practising barrister (of not less than five years' standing) in Hong Kong. After the expiry of the first six months of the pupillage, the person shall be qualified to a limited practice.¹² A person who applies for admission as barrister would need to satisfy one of the residency requirements stipulated in Cap. 159.¹³

(f) Barristers – Practice Mode

15. Barristers differ from solicitors in that they do not practise in partnership. Instead, barristers practise independently or in chambers. Two or more practising barristers may share professional expenses in accordance with an agreement or in proportion to their receipts. However, they may not share professional receipts or agree that any one or more of them shall assume

Barristers (Qualification for Admission and Pupillage) Rules (Cap. 159AC), rule 4(3); Section 31(2) of Cap. 159.

- (i) he has resided in Hong Kong for at least 3 consecutive months immediately before the date of his application for admission;
- (ii) he has been ordinarily resident in Hong Kong for at least 7 years;
- (iii) he has been physically present in Hong Kong for at least 180 days of each of at least 7 years within the 10 years immediately preceding the date of his application for admission.

¹¹ Section 27(1) of Cap. 159.

¹³ Section 27(2)(b) of Cap. 159 provides:

responsibility for the professional work of the other(s).

- 16. The conduct of barristers is governed by the Code of Conduct formulated by the Bar Association. It also provides guidelines regarding their practice overseas.
- A barrister of not less than 10 years' experience may be appointed as a Senior Counsel by the Chief Justice, after consultation with the chairman of the Bar Council and the president of the Law Society. A person is eligible for appointment as a Senior Counsel if the person—(i) has, in the opinion of the Chief Justice, sufficient ability and standing as a barrister or legal officer, and sufficient knowledge of the law, to be accorded that status; and (ii) has the requisite experience; and (iii) is practising at the bar in Hong Kong or is practising as an advocate while holding office as a legal officer.¹⁴

(g) Legal Education and Professional Training

- 18. In terms of the legal education standard, Hong Kong enjoys excellent academic standing and distinguished international reputation. The three local universities offering law programmes have nurtured outstanding legal talents equipped with the common law training and international perspectives for Hong Kong. According to the QS World University Rankings 2025, the rankings of the aforementioned three universities by the subject of Law and Legal Studies all secured positions within the world's top 60, with The University of Hong Kong (HKU) ranked the 15th, The Chinese University of Hong Kong (CUHK) ranked the 48th, and the City University of Hong Kong (CityU) ranked the 56th. Two of the universities have achieved higher rankings compared to the previous year.
- 19. The Standing Committee on Legal Education and Training ("SCLET") established under section 74A of Cap. 159 is responsible for keeping under review, evaluate and assess the system and provision of the legal education and training in Hong Kong, monitoring vocational training of prospective legal practitioners, collecting and disseminating relevant information about legal education and training, and making recommendations on related matters. A representative from the DoJ is one of the SCLET members. To ensure that our law graduates are well equipped to meet the emerging demands of legal practice

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¹⁴ Section 31A(2) of Cap. 159.

and changing needs of society, DoJ has been actively engaging in the SCLET by making timely suggestions for discussion.

- 20. At the SCLET meeting on 9 November 2023, the DoJ proposed to introduce compulsory courses for Bachelor of Laws ("LLB") and Juris Doctor ("JD") students on the Constitution of the People's Republic of China and the national security laws, as well as including them into the syllabus of the PCLL Conversion Examination, to ensure that law students have an accurate understanding of the HKSAR's constitutional order and legal system. There was no controversy regarding the proposal.¹⁵
- 21. In the same meeting, the DoJ also proposed to discuss whether additional elective courses should be offered for the LLB and JD programmes to provide legal support for the policy measures outlined in the Chief Executive's 2023 Policy Address of developing Hong Kong into the "Eight Centres", including the subjects of law on technology and artificial intelligence, maritime law, aviation law, intellectual property law, etc. The three law schools were generally receptive to the proposal of providing more elective courses in aligning with Hong Kong's "Eight Centres" development, subject to the demand of individual subjects. The two professional bodies also generally supported the DoJ's proposal.
- 22. For on-the-job training, both the Law Society and the Bar Association have established committees for reviewing such matters as legal professional development and continuing education.
- 23. The DoJ will continue to support the two legal professional bodies and SCLET in their ongoing review and enhancement of the local legal education and professional training so as to nurture more legal talents for Hong Kong.

(h) Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") Lawyers

24. Eligible Hong Kong solicitors and barristers who have passed the GBA Legal Professional Examination ("GBA Examination") and obtained the Lawyer's License (GBA) can provide legal services in the nine Mainland

Paragraphs 10 and 11, "Annual Report 2023 of the Standing Committee on Legal Education and Training": https://www.sclet.gov.hk/eng/pdf/2023e.pdf.

municipalities in the GBA on certain civil and commercial matters (including litigation and non-litigation matters) to which the Mainland laws apply. As at the end of March 2025, over 550 Hong Kong and Macao legal practitioners have obtained the Lawyer's License (GBA). The DoJ will continue to facilitate the GBA Examination and support the professional development of GBA lawyers.

(i) Hong Kong International Legal Talents Training Academy

- 25. The DoJ is dedicated to cultivating legal talents for the local legal and dispute resolution professions, consolidate Hong Kong's position as a centre for international legal and dispute resolution services in the Asia-Pacific region, dovetail with the development of the National 14th Five-Year Plan, and enhance the building of a legal talent pool and foster talent exchanges within and outside the region.
- 26. Capitalising on Hong Kong's bilingual common law system and the unique strengths and advantages under the "One Country, Two Systems" principle, the Hong Kong International Legal Talents Training Academy ("Academy") was launched on 8 November 2024.
- 27. The Academy will regularly organise different practical legal courses, seminars and international exchange initiatives, so as to promote talent exchanges in the region and beyond, and provide foreign-related legal talent training for our country, and to cultivate local legal talents who are familiar with international law, common law, civil law, national legal systems as well as litigation and advocacy skills to support the professional services of legal and dispute resolution industry.
- 28. By taking forward the establishment of the Academy, Hong Kong can continuously consolidate its strategic position as a regional centre for international legal and dispute resolution services, develop into a capacity building hub and further participate in the next decade of jointly building the Belt and Road Initiative, thereby contributing to the country's efforts to promote the construction of the rule of law and leveraging Hong Kong's unique advantages and position in connecting our country to the rest of the world.
- 29. During the Hong Kong Common Law Practical Training Course (coorganised by the Supreme People's Court of the PRC and the Academy) in January 2025 and the National Training Course for Talents Handling Foreign-

related Arbitration (Hong Kong) (co-organised by the Ministry of Justice of the PRC and the Academy) in February 2025, participants from the Mainland attended lectures and exchange sessions with local legal and dispute resolution practitioners, visited to law firms, chambers and arbitration institutions in Hong Kong, enhancing their knowledge the local professional services, as well as the uniqueness and strengths of Hong Kong, thereby fostering exchanges between the Mainland legal and dispute resolution practitioners with the law firms and arbitration institutions in Hong Kong.

- 30. Further, the Academy co-organised the Conference on Climate Change and International Trade Law with the United Nations Commission on International Trade Law (UNCITRAL) in March 2025, during which world class legal experts and practitioners were invited to discuss climate change and international trade law. The Conference has attracted local and international participants who gained first-hand updates in relation to sustainable supply chains, climate change and insolvency, as well as dispute resolution and settlement.
- 31. The Academy will organise the Mainland Civil and Commercial Legal Practice Training Course 2025 for the local legal and dispute resolution sector on 13 and 14 June 2025. The topics include the Mainland court system and civil and commercial litigation jurisdiction; the Mainland courts' approaches to foreign-related and Hong Kong-related cases; preservation, evidence and enforcement; liability for breach of contract under the Civil Code of the People's Republic of China; Mainland Courts' adjudication of Hong Kong-related matrimonial and family cases; cross-border companies, shareholders and loan disputes. There will also be two panel discussions on the legal challenges for Chinese enterprises going overseas and the latest developments in foreignrelated arbitration in the Mainland. Speakers include judges from the Supreme People's Court and Guangdong Court, Mainland senior law professors, lawyers and corporate legal advisors, as well as representatives from Mainland arbitration institutions. This will enable the local legal community to gain a thorough understanding of the latest developments in Mainland civil and commercial law practice, familiarise themselves with the procedures and practical arrangements for handling the relevant cases in Mainland courts and arbitration institutions, promoting the cooperation between the two jurisdictions to provide more comprehensive services to clients.

32. The Academy is proactively collaborating with local, Mainland and international legal professional bodies to organise capacity building programmes for the legal and dispute resolution sectors in Hong Kong, the Mainland and around the globe. The Academy will encourage the local professionals to join the relevant training programmes, e.g. the seminar on criminal law for prosecutors from Association of Southeast Asian Nations ("ASEAN") member states and local legal practitioners to be held in Hong Kong in late September 2025.

Legal co-operation in Greater Bay Area or between Hong Kong and the Mainland

- (a) DoJ's fundamental focus "Three Interfaces, Two Connects and One GBA" (三連、兩通、一灣區)
- 33. DoJ has been actively promoting interfaces within GBA, making it a more internationalised place for investment with a higher degree of certainty and transparency. In this regard, DoJ issued the "Action Plan on the Construction of Rule of Law in the GBA" in April 2024, setting forth the guiding principle, policy direction and specific measures on the development in GBA.
- 34. We focus on "three interfaces": the interface of mechanisms, regulatory frameworks and legal talents, to foster "two connects" the connectivity of hardware and software, in the construction of a strong and prosperous GBA.

(b) Key Measures

- 35. DoJ has been taking forward various policy initiatives seeking to:
 - (i) promote the use of Hong Kong law and Hong Kong's legal and dispute resolution services in GBA;
 - (ii) expand the legal and dispute resolution services market of Hong Kong legal sector in GBA; and
 - (iii) enhance Hong Kong's competitiveness as a preferred venue for legal and dispute resolution services.

Promote use of HK law and HK's legal services - more flexibility to choose HK law and to choose HK arbitration

Measures of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" (港資港法) and "allowing Hong Kong-invested enterprises to choose Hong Kong as the seat of arbitration" (港資港仲裁)

Extension of the measures

- 36. Since 14 February 2025, the measure "allowing Hong Kong-invested enterprises to adopt Hong Kong law" (港資港法) has been extended from Qianhai, Shenzhen to the whole city of Shenzhen and city of Zhuhai and the measure of "allowing Hong Kong-invested enterprises to choose Hong Kong as the seat of arbitration" (港資港仲裁) extended from China's Pilot Free Trade Zones to the nine Mainland cities in GBA.
- 37. With the benefit of these two extended measures, Hong Kong-invested enterprises enjoy more flexibility, generally not available otherwise, in choosing Hong Kong law as applicable to their contracts with other Mainland enterprises and also Hong Kong arbitration to resolve their contractual disputes. They have more options in using Hong Kong's common law regime to enhance their risk management in commercial transactions.

Relaxed definition of Hong Kong-invested enterprises

38. After the extension, more Hong Kong-invested enterprises could benefit from the measures than before as there exists no restriction on the qualifying ratio of investment by Hong Kong shareholders.

Impact on the extension of measures

39. The extension will provide more options, flexibility and convenience for Hong Kong-invested enterprises, effectively addressing the needs of the enterprises, allowing Hong Kong-invested enterprises to choose the law that they are more familiar with (including the Hong Kong law) as the applicable law of their contracts in light of their needs and circumstances, and to also choose a suitable place (such as jurisdictions outside the Mainland, including Hong Kong)

as the seat of arbitration to resolve contractual disputes arising from investment and business activities.

40. The extension of the two measures introduces more opportunities for and enhances competitiveness of the legal and dispute resolution sectors, encourages deeper and wider co-operation between the legal and dispute resolution professions of the two places, which would in turn enhance Hong Kong's strategic position as an international legal and dispute resolution centre in the Asia-Pacific region under the national "14th Five-Year Plan".

Promote the provision of mediation and arbitration services by HK practitioners in GBA

- 41. Hong Kong has exported our best practice in formulation of the common rules and standards on mediation in GBA.
- 42. Three sets of unified rules or standards on mediation and a common panel of GBA mediators are in place in GBA, facilitating the resolution of commercial disputes through mediation. The relevant common rules govern:
 - (i) qualification requirements of mediators;
 - (ii) professional code of conduct of mediators; and
 - (iii) mediation process.
- 43. Moreover, in May 2024, pursuant to an official reply by the Supreme People's Court with reference to DoJ's suggestions, Mainland courts introduced the first batch of Hong Kong mediation organisations as "specially invited mediation organisations", whereby they provide direct mediation services to the pilot courts in GBA. Among them, Guangzhou Intellectual Property Court engaged Hong Kong International Mediation Centre, whilst Shenzhen Qianhai Cooperation Zone People's Court engaged Hong Kong Mediation Council, Hong Kong Mediation Centre and Mainland Hong Kong Joint Mediation Center as "specially invited mediation organisations". This measure offers HK mediation sector direct access to mediation cases in GBA.

44. In respect of arbitration, DoJ supports the full utilisation of Hong Kong's leading international arbitration practice to the development of GBA's diversified dispute resolution mechanism. We are actively seeking to devise a panel of GBA arbitrators to facilitate users to choose arbitration in Hong Kong and other parts of GBA.

Expansion of legal services market in GBA – Qualification to practise as GBA Lawyers

- 45. As at the end of March 2025, over 550 Hong Kong and Macao legal practitioners have obtained the Lawyer's License (GBA). Such GBA Lawyers enjoy dual qualifications and can practice both Hong Kong (or Macao) and the Mainland law.
- 46. GBA Lawyers are uniquely positioned to serve Mainland enterprises seeking to go global and foreign enterprises seeking to invest in GBA.
- 47. DoJ is seeking to set up a dedicated platform for GBA Lawyers to further strengthen their professional development.

Enhance HK's competitiveness as a preferred venue for legal services

- 48. DoJ has been working closely with the Supreme People's Court to monitor the implementation of the existing mutual legal assistance mechanism in civil and commercial matters between the Mainland and Hong Kong, covering procedural and arbitration matters and enforcement of judgments.
- 49. This mechanism with the Mainland gives Hong Kong a distinctive edge as a venue for legal and dispute resolution services. For example:
 - (i) Hong Kong is one of the only two jurisdictions (the other being Macao) whose parties to arbitral proceedings could apply to the Mainland for interim protective measures like freezing Mainland assets in support for arbitral proceedings taking place in Hong Kong.
 - (ii) Hong Kong is the only jurisdiction which has set up a legal mechanism for reciprocal enforcement of judgments covering a wide range of matters, including judgments on certain

intellectual property rights and in pilot areas (i.e. Shenzhen, Shanghai and Xiamen), judicial assistance in corporate restructuring and insolvencies.

50. DoJ is actively seeking to monitor the implementation of the said mechanism with the Mainland and to study suggestions for enhancement. A comprehensive and effective mechanism with the Mainland on mutual legal assistance in civil and commercial matters would fully exhibit the distinctive advantages of "One Country, Two Systems", improve Hong Kong's environment for business and investment by enhancing certainty and effective protection of interests of parties and hence more opportunities for Hong Kong's legal and dispute resolution sectors.

(a) Promoting the development of the local legal sector

Apart from promoting Hong Kong's legal and dispute resolution services internationally, the DoJ has also carried out promotional works in the Mainland to continue to actively assist in furthering the development of the local legal sector. DoJ's promotional events in the Mainland include the Hong Kong Legal Services Forum ("Forum"). The Forum is organised on a biennial basis since 2010 to promote Hong Kong's international legal and dispute resolution services to enterprises and other service users in the Mainland. Given that Xi'an is a key node city of the "Belt and Road Initiative", the DoJ plans to organise the 7th Forum there in May this year to introduce and promote Hong Kong's international legal and dispute resolution services to the legal sectors and enterprises in Shaanxi and its neighbouring areas. In addition to exploring legal issues faced by businesses, the 7th Forum will also feature mock mediation and arbitration sessions to showcase Hong Kong's mediation and arbitration practices.

Cultivation of arbitration institutions

52. The Government of the Hong Kong Special Administrative Region ("HKSAR") is committed to developing Hong Kong as a leading international arbitration centre in the Asia-Pacific region and promoting Hong Kong as a preferred seat of arbitration for both local and overseas parties. The following paragraphs set out the policy initiatives of the DoJ in cultivating international

first-class arbitration institutions in Hong Kong.

Establishment of the Hong Kong Legal Hub

- 53. Over the years, the DoJ has welcomed arbitral institutions from around the world to set up offices in Hong Kong, including CIETAC Hong Kong Arbitration Center, the International Court of Arbitration of the International Chamber of Commerce – Asia Office, the South China International Arbitration Center (Hong Kong), AALCO Hong Kong Regional Arbitration Centre and the Shanghai International Arbitration (Hong Kong) Center, etc. In order to attract reputable international legal and dispute resolution services institutions to set up offices or provide services in Hong Kong, the Hong Kong Legal Hub was established in November 2020. The Government offers space in the West Wing of the former Central Government Offices, a Grade 1 historic building now known as the Justice Place, and the former French Mission Building, a declared monument nearby, and part of Two Exchange Square to accommodate offices of local, regional and international law-related organisations. ¹⁶ Together with the offices of the Department of Justice housed in the Main and East Wings and part of the West Wing of the Justice Place, the whole area forms an international Legal Hub in our central business district. Located at the heart of Central, the Legal Hub provides a convenient location to parties participating in meetings or arbitral hearings in Hong Kong.
- 54. One of the arbitral institutions located in the Legal Hub is our homegrown Hong Kong International Arbitration Centre ("**HKIAC**"), which is well received internationally. In the 2025 International Arbitration Survey conducted by Queen Mary University of London, ¹⁷ HKIAC Rules is the most preferred arbitral rules in the Asia-Pacific Region, and the 2nd most preferred worldwide (along with Singapore International Arbitration Centre). According to the said Survey, Hong Kong is also the 2nd most preferred seat of arbitration worldwide

Arbitral institutions that have set up offices in the Hong Kong Legal Hub include AALCO Hong Kong Regional Arbitration Centre ("AALCO"), CIETAC Hong Kong Arbitration Center ("CIETAC-HK"), China Maritime Arbitration Commission Hong Kong Arbitration Center, eBRAM International Online Dispute Resolution Centre Limited ("eBRAM"), Hong Kong International Arbitration Centre ("HKIAC"), Hong Kong Maritime Arbitration Group ("HKMAG") and the International Court of Arbitration of the International Chamber of Commerce – Asia Office ("ICCICA-Asia Office").

https://www.qmul.ac.uk/arbitration/research/2025-international-arbitration-survey/
As of 10 April 2025, the full report of the 2025 International Arbitration Survey conducted by White & Case and the School of International Arbitration at Queen Mary University of London remains unpublished; See also:https://globalarbitrationreview.com/article/london-and-singapore-top-and-ai-incoming-says-queen-mary-survey and https://www.whitecase.com/insight-our-thinking/2025-international-arbitration-survey.

(along with Singapore). Referring to HKIAC's statistics in 2024,¹⁸ there was a total of 503 matters submitted to HKIAC. Among those, 352 arbitration filings were made with total amount in dispute of HK\$106 billion (up from HK\$92.8 billion in 2023), both representing a record high for HKIAC. 97.1% of the arbitration were seated in Hong Kong, while the parties come from 53 jurisdictions (up from 43 jurisdictions in 2023). Over 65% of the arbitration filings received arose from contracts signed in 2020 or later, and over 40% arose from contracts signed in 2022 or later.

55. In terms of the time taken to reach a final award, HKIAC's performance is also on par with other major international arbitral institutions worldwide. For example, the median duration of arbitration cases administered between 1 November 2013 and 30 April 2023 by HKIAC under the HKIAC Administered Arbitration Rules in which a final award was issued is 15 months, which is comparable with the duration of other international arbitral institutions.¹⁹

Implementation of the Interim Measures Arrangement

The DoJ has been implementing policy initiatives which aim to enhance both the attractiveness of Hong Kong as a seat of arbitration and the competitiveness of the arbitration institutions in Hong Kong. On 2 April 2019, the DoJ and the Mainland signed the Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the HKSAR ("Interim Measures Arrangement"). Pursuant to the Interim Measures Arrangement, parties to arbitral proceedings seated in the HKSAR and administered by designated arbitral institutions may apply to the Mainland courts for interim measures, including property preservation, evidence preservation and conduct preservation. It aims at preventing one of the parties to arbitral proceedings from deliberately destroying the evidence or dissipating the assets, or to maintain the status quo, in order to ensure that the arbitral proceedings can be carried out effectively. The Interim Measures Arrangement came into effect on 1 October 2019.

¹⁸ HKIAC's statistics for 2024: https://www.hkiac.org/about-us/statistics

HKIAC's latest report on the Average Costs and Duration: https://www.hkiac.org/arbitration/costs-duration

For reference, the median duration of the London Court of International Arbitration (LCIA) arbitration cases between 1 January 2017 and 12 May 2024 is 20 months (see LCIA's "Costs and Duration: 2017-2024": https://www.lcia.org/News/lcia-releases-updated-costs-and-duration-analysis-2024.aspx).

57. Upon the signing of the Interim Measures Arrangement, Hong Kong has become the first jurisdiction outside the Mainland, and the only common law jurisdiction, where, as a seat of arbitration, parties to arbitral proceedings administered by its arbitral institutions would be able to apply to the Mainland courts for interim measures. Since its implementation, the Interim Measures Arrangement is well-received²⁰ and widely regarded as a game changer by the international arbitration community. Not only has it increased the attractiveness of Hong Kong as a seat of arbitration, the designated arbitral and dispute resolution institutions²¹ under the Interim Measures Arrangement have also benefitted from the Arrangement as parties would only be able to apply to Mainland Courts for interim measures if their arbitrations are administered by the aforesaid institutions and seated in Hong Kong.

Regularisation and refinement of the Pilot Scheme on Facilitation for Persons Participating in Arbitral Proceedings in Hong Kong

58. The Government launched the "Pilot Scheme on Facilitation for Persons Participating in Arbitral Proceedings in Hong Kong" on 29 June 2020 to provide immigration facilitation for eligible visitors participating in arbitral proceedings in Hong Kong on a short-term basis. With effect from 1 March 2025, the Scheme is regularised with refinements. Upon regularisation, the Scheme is named as "Immigration Facilitation Scheme for Persons Participating in Arbitral Proceedings in Hong Kong" ("Facilitation Scheme"). Under the Facilitation Scheme, relevant individuals are allowed to participate in arbitral proceedings in Hong Kong as visitors without the need to obtain an employment visa if they are in possession of a letter of proof ("Letter") issued by designated arbitral and dispute resolution institutions or venue providers proving that they

As at 28 February 2025, 159 applications were made to 52 Mainland Courts for interim measures, and the total value of assets preserved amounted to around RMB25 billion.

On 2 April 2025, the DoJ announced the updated list of qualifying arbitral and dispute resolution institutions and permanent offices which are eligible for applying to the Mainland Courts for interim measures under Article 2(1) of the Interim Measures Arrangement. The nine qualifying arbitral and dispute resolution institutions include HKIAC, HKMAG, South China International Arbitration Center (HK), eBRAM, Shanghai International Arbitration (Hong Kong) Center, Asia Pacific International Arbitration Chamber Hong Kong Arbitration Center, AALCO, CIETAC-HK and ICCICA-Asia Office.

are Eligible Persons participating in arbitral proceedings in Hong Kong.²² The Facilitation Scheme covers five categories of eligible persons, namely, (i) arbitrators; (ii) expert and factual witnesses; (iii) counsel in the arbitration; (iv) parties to the arbitration; and (v) other persons directly related to or involved in the arbitration such as tribunal secretaries, tribunal-appointed experts. The Scheme also covers all arbitrations physically taking place in Hong Kong, including those in which parties opt to, as a matter of law, have the "seat of arbitration" elsewhere.

59. The Facilitation Scheme synergises with Hong Kong's many strengths as an ideal seat for conducting arbitrations, offering high convenience for parties and practitioners, and a broad choice of international and local legal experts and related professionals. It is believed that with aforesaid benefits of the Facilitation Scheme, more parties would choose Hong Kong as the destination for arbitration which would in turn bring more business opportunities for the arbitration institutions in Hong Kong.

Supporting the ICCA Congress 2024

60. The DoJ supports events organised or co-organised by the arbitration institutions in Hong Kong from time to time. For instance, the DoJ provided sponsorship to HKIAC to facilitate its bidding process for hosting the ICCA Congress in Hong Kong and its actual holding in Hong Kong. As the largest conference devoted to international arbitration, the ICCA Congress is held biennially and each Congress attracts a large number of participants from across the globe and makes significant contributions to the development of dispute resolution theory and practice. The ICCA Hong Kong Congress, held in Hong Kong from 5 to 8 May 2024, was widely regarded as a huge success. It achieved a record-breaking attendance of over 1,400 delegates from more than 70 jurisdictions, which is the largest delegation in ICCA's history.

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⁽a) For arbitrations administered by an arbitral institution, the Letter shall be issued by one of those designated arbitral and dispute resolution institutions and permanent offices in Hong Kong, which satisfies the criteria set out under Article 2(1) of the "Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the HKSAR". For details of the list of institutions and permanent offices and their contact details, please visit the Department of Justice (DoJ) website (www.doj.gov.hk/en/legal_dispute/pdf/Immigration_Facilitation_Scheme_contact_list_en.pdf).

⁽b) For ad hoc arbitrations (i.e. arbitrations not administered by an arbitral institution), the Letter shall be issued by reputable venue(s) with established and well-equipped hearing facilities. For details of the list of venue providers, please visit the DoJ website (www.doj.gov.hk/en/legal_dispute/pdf/list_of_venue_providers_en.pdf).

- Kong, the arbitration sector as well as HKIAC. It attracted many leading practitioners from across the globe to Hong Kong. The official programme and side events allowed for meaningful interactions between local and overseas practitioners throughout the week. Through the ICCA Hong Kong Congress, HKIAC has successfully built relationships with the sponsoring organisations and law firms around the world and provided opportunity for further collaboration. HKIAC has received a significant number of invitations from different organisations to jointly organise events and an increased number of applications to join HKIAC's panel and list of arbitrators. The ICCA Hong Kong Congress also brought significant economic benefits to HKIAC. It was able to turn a profit after deducting the expenses incurred for organising the Congress.
- 62. In addition to HKIAC, the ICCA Hong Kong Congress also provided a valuable platform for other Hong Kong-based arbitral institutions, including CIETAC HK, SCIA HK, SHIAC HK, and eBRAM, to enhance their visibility and showcase their unique service offerings to the international arbitration community. This further reinforced Hong Kong's diversity, strength, and depth of dispute resolution experience and resources.

Leading delegation of legal and dispute resolution sectors on mission trips

- 63. The DoJ has been actively assisting in the exchanges, collaboration and growth of the arbitration institutions in Hong Kong by leading delegation comprising representatives from law firms and arbitration institutions to explore opportunities overseas.
- 64. In early March 2024, the Deputy Secretary for Justice led a delegation of the legal and dispute resolution sectors to visit Riyadh, Saudi Arabia to participate in the Riyadh International Disputes Week to promote Hong Kong's strengths in legal and dispute resolution services and assist the sectors in exploring opportunities under the Belt and Road Initiative.
- 65. In May 2024, the Secretary for Justice ("SJ") led a delegation of around 30 members comprising representatives from the Law Society, the Bar Association, the Hong Kong Trade Development Council, Invest Hong Kong, Hong Kong Exchanges and Clearing Limited and legal and dispute resolution sectors, on a visit to Riyadh in the Kingdom of Saudi Arabia, and Abu Dhabi and Dubai in United Arab Emirates, to promote Hong Kong's legal and dispute resolution services and enhance co-operation and exchanges between Hong

Kong and the Middle East. In particular, the delegation visited Saudi Center for Commercial Arbitration ("SCCA"), Abu Dhabi Global Market and Dubai International Arbitration Centre to exchange views and share their experiences on the provision of a full spectrum of alternative dispute resolution services. On 18 March 2025, HKIAC announced that it has entered into an Agreement of Cooperation with the SCCA to jointly promote and develop international arbitration and other forms of dispute resolution methods.

- 66. Further, in September 2024, the SJ led a Hong Kong delegation comprising representatives from the Law Society, the Bar Association and related sectors to visit Vietnam and Malaysia, member states of ASEAN to promote Hong Kong's legal and dispute resolution services and enhance cooperation and exchanges between Hong Kong and these ASEAN member states. During the visit, the delegation met with representatives from the Vietnam International Arbitration Center and Malaysia's Asian International Arbitration Centre ("AIAC") to exchange views on recent developments in the legal and arbitration landscape. SJ also witnessed the signing of two memoranda of understanding ("MOU") facilitated by DoJ, i.e. an MOU between AIAC and the South China International Arbitration Center (HK) ("SCIA(HK)") and a supplementary MOU between AIAC and the eBRAM International Online Dispute Resolution Centre. After the visit, SCIA(HK) built ties and visited their local counterparts in Ho Chi Minh City, Vietnam and Kuala Lumpur, Malaysia in October, and co-organised events to promote the arbitration services of Hong HKIAC is also in active discussion with the Vietnam International Arbitration Center to conclude the signing of a MOU.
- 67. Going forward, the DoJ will continue to organise mission trips and other events to foster, promote and showcase Hong Kong's stature as a major international arbitration centre.

Concluding Remarks

68. To conclude, DoJ has been working closely with the two legal professional bodies and the leading alternative dispute resolution ("ADR") institutions. This includes leading delegations comprised of their representatives to promote legal and ADR services in the Mainland and overseas, co-organising events with them and supporting their activities. Looking ahead, DoJ will continue to foster even closer collaboration with them in a joint effort to promote the legal services of Hong Kong and create more opportunities for the legal profession.

Advice Sought

69. Members are invited to note the contents of the paper.

Department of Justice April 2025