

Speech by SJ at opening ceremony of Hong Kong Legal Services Forum in Shanghai

Following is the translation of the speech by the Secretary for Justice, Mr Wong Yan Lung, SC, at the opening ceremony of the Hong Kong Legal Services Forum - "Hong Kong Legal Services - Global Vision" -organised by the Department of Justice in Shanghai this morning (July 6):

Mr Zhao (Dacheng), distinguished guests, ladies and gentlemen,

Good morning. It is my great pleasure to welcome you all to the Hong Kong Legal Services Forum in Shanghai, which is co-organised by the Department of Justice of Hong Kong, the Hong Kong Trade Development Council (HKTDC), the Hong Kong Bar Association, the Law Society of Hong Kong, the Hong Kong International Arbitration Centre (HKIAC) and the International Court of Arbitration of the International Chamber of Commerce (ICC). It is also our great honour to have the leaders of the legal profession of Hong Kong as speakers for today's forum. With as many as over 500 attendees, this forum is unprecedented in terms of scale and response.

As Shanghai plays host to the World Expo, this is an opportune time for the Department of Justice of the Hong Kong Special Administrative Region to organise this forum under the theme "Hong Kong Legal Services - Global Vision". The aims of the forum are to showcase the strengths and latest development of our legal and dispute resolution services to the corporate and legal sectors of the Mainland, to share with them our experiences, and to explore ways of strengthening cooperation.

The world economic order has experienced fundamental changes in the wake of the financial tsunami. While the European and American economies are still striving for recovery, China's economic activities are in constant expansion from the domestic to the international arena. And with signs of surging trade protectionism around the world, there is a great demand for high-quality international legal services from enterprises, especially those operating multinational businesses or seeking to develop multinational businesses.

Shanghai is rapidly establishing its position as a financial hub. Given China's strong development potential, it certainly has the capacity to develop

two financial centres. With the successful implementation of the unique "One Country, Two Systems" principle and its world-class and well-established legal services, Hong Kong has proven to be an ideal platform for any Mainland enterprise that seeks to raise funds or to develop its global business. As at the end of May this year, there were 536 Mainland enterprises listed on the Stock Exchange of Hong Kong.

With the new constitutional order under the "One Country, Two Systems" principle, the Hong Kong Special Administrative Region maintains its common law system that is familiar to the international community. Furthermore, the Basic Law allows the courts of Hong Kong to refer to the case law of other common law jurisdictions other than that of the United Kingdom, which broadens the international perspective and increases the flexibility of the local common law system.

Judicial independence is guaranteed by our constitution. The judicial officers of Hong Kong, particularly our Court of Final Appeal, are well recognised for their international standards. The highly effective and fair judicial system has been a source of confidence and protection to international investors.

As an international financial and business centre comparable to London and New York, Hong Kong has always adhered to common law principles and international practices in areas such as corporate governance, investment, fund raising, finance, securities, international trade and intellectual property. These principles and practices are widely recognised by and familiar to the international business community. The regimes established, talents nurtured and experience accumulated are all assets that have contributed to the success of Hong Kong.

The "One Country, Two Systems" principle has presented unprecedented opportunities for Hong Kong. It strengthens our ties with the Mainland on the one hand and allows us to extend our international network on the other, providing Hong Kong and the Mainland with the greatest flexibility and scope for development.

Well versed in laws relating to international finance and trade and having a comprehensive international network, the legal profession in Hong Kong is

capable of providing international and high-end legal services. At the same time, sharing the same language and culture with the Mainland, we are able to deliver legal services concerning Mainland parties more efficiently and effectively. Today, with China becoming a major force of global economic growth and with growing demand for cross-boundary legal services, I believe that the legal professions in the two places can foster closer cooperation and provide even better services to their clients.

To date, 65 Hong Kong law firms have set up representative offices in 14 Mainland cities, of which 31 firms were set up after the implementation of CEPA. There are altogether six Hong Kong law firms that have entered into association with Mainland law firms to develop their practice in both places.

Moreover, the Department of Justice is strongly committed to promoting mutual legal assistance between the two places. Currently, we have put in place arrangements for mutual service of judicial documents, mutual enforcement of arbitral awards and reciprocal enforcement of judgments in civil and commercial matters. Apart from regular reviews of the implementation of these arrangements to refine the framework for mutual legal assistance, we are also taking steps to identify new areas of cooperation in response to the needs of our community. For example, in order to cater for the development of society, we are exploring with Mainland authorities the feasibility of reciprocal recognition and enforcement of judgments in matrimonial and family matters.

As you are aware, it is an international trend to make use of alternative dispute resolution methods other than litigation to resolve commercial disputes. Thanks to its sound legal system, geographical location and other supporting facilities, Hong Kong provides a conducive environment that offers parties a wide range of dispute resolution processes, such as litigation, arbitration and mediation, to effectively resolve their disputes.

The Department of Justice has been making vigorous efforts to enhance the arbitration regime in Hong Kong by refining the relevant legislation to make arbitration more user-friendly, as well as by strengthening Hong Kong's co-operation with Mainland and other international arbitration institutions. The cases handled by the HKIAC have been on the increase in recent years. In 2009, the HKIAC handled a total of 429 arbitration cases, representing a year-on-year increase of 15% and over one third of the cases involved at least

one Mainland party. Figures in this respect are also rising annually.

In 2008, the ICC opened a branch of the Secretariat of its International Court of Arbitration in Hong Kong, the first office of the Secretariat established outside Paris. This is a significant move by the ICC and its decision is a vote of confidence in Hong Kong's leading position as a centre for dispute resolution. The Branch office is currently handling over 150 cases. We will continue to foster closer cooperation between local arbitration institutions and their Mainland and international counterparts, with a view to developing Hong Kong as a hub for commercial arbitration in the Asia Pacific region.

The forum today brings together leaders from the legal and arbitration communities in Hong Kong. Experienced solicitors and barristers from the two legal professional bodies in Hong Kong, as well as world renowned arbitrators from the HKIAC and the ICC, will serve as moderators and speakers and explore with participants legal and risk management issues pertaining to international trade and investment as well as practical issues in resolving commercial disputes.

We are grateful to the HKTDC for its professional assistance in organising and promoting the forum. Justice departments and bureaux as well as lawyers associations of Shanghai Municipality, Zhejiang Province, Suzhou, Wuxi and Changzhou have given this forum strong support. Mainland trade associations, such as the China Council for the Promotion of International Trade Shanghai Sub-council and the Shanghai Federation of Industry and Commerce, have also offered invaluable assistance to the holding of the forum. I would like to extend my sincere gratitude to all co-organisers and supporting organisations.

On that note, may I wish all of you fruitful exchanges at the forum. Thank you.

Ends/Tuesday, July 6, 2010