

Hong Kong Legal Services Forum (13 September 2012)

Welcome Remarks

(Huen Wong JP, Chairman of Hong Kong International Arbitration Centre)

Good morning, Distinguished Guests, Ladies and Gentlemen,

I would like to welcome everyone.

May I, first of all, thank the organizer, the Department of Justice (DOJ), who leads the organization of this Forum, as well as the other co-organisers such as Hong Kong Trade Development Council (HKTDC), the Law Society of Hong Kong, the Hong Kong Bar Association and ICC for their hard work to put this Forum together. This is the second Hong Kong Legal Services Forum; the first took place in Shanghai in 2010. I trust that you will find the programme for this forum enjoyable and informative.

As the chairman of the Hong Kong International Arbitration Centre (HKIAC), we have seen many significant developments for arbitration just over the last two years – from the celebration of HKIAC's 25th anniversary two years ago, to the commencement of Hong Kong's new Arbitration Ordinance from the first of June in 2011.

And 2012 saw even more significant developments for arbitration and dispute resolution. On March 12, the recent notification by the Department of Legal Affairs of the Indian Government Ministry of Law and Justice, declared the PRC (including Hong Kong SAR) to be a territory to which the New York convention applies under the Arbitration Conciliation Act 1996 of India. Hong Kong has always had a commanding lead in PRC-related disputes. With Sino-Indian trade on the increase, there is no doubt that Hong Kong will see a considerable increase in the number of arbitration cases involving Indian parties. This notification will provide clients with clarity in respect of the enforcement of awards in India made in Hong Kong on or after 19 March 2012 and will reinforce Hong Kong's appeal as a seat for international arbitration.

HKIAC is currently in the process of amending its 2008 HKIAC Administered Arbitration Rules. A wholesale revision of the 2008 HKIAC Administered Arbitration Rules is not being contemplated, as the 2008 HKIAC Rules are working well overall. The expected modifications will be made in light of the experience of the use and practice of the existing 2008 HKIAC Rules. It can be expected that the amended rules will come into effect the last quarter of 2012.

Another significant development for HKIAC is the expansion of its premises, by taking over the remaining area of the 38th floor at Two Exchange Square. With approximately two times the

original space, HKIAC will be able to meet the increasing demand for suitable and neutral hearing space in Hong Kong. The grand opening of the new HKIAC premises will take place in a month's time. With these exciting new developments, I believe that Hong Kong's role as an arbitration hub in Asia will be further strengthened.

Growth of Asian economies and their increased participation in global commerce has led to a rise in international commercial disputes involving Asian companies. And, in particular, with the rise of China, Chinese parties are increasingly having the stronger bargaining position in contract negotiation which leads to the insertion of Asian seats of arbitration and the rules of arbitral institutions based in Asia in dispute resolution clauses. This demand accelerates the need for neutral dispute resolution forums that are international in scope yet responsive to diverse users and cultures.

As a place which bridges the West and the East, Hong Kong is uniquely placed to provide international commercial dispute resolution services, especially for China-related commercial disputes. International parties are comfortable submitting to arbitration in Hong Kong due to its pro-enforcement tradition, Model Law influence, common law system and Western Orientation. Mainland Chinese parties are equally agreeable to arbitrate their disputes in Hong Kong because of political, geographic, linguistic, and cultural ties. Hong Kong is the perfect "compromise" seat.

Throughout the day, we will be discussing comprehensive topics relating to dispute resolution and arbitration in Hong Kong. I trust that the insights of our speakers will benefit a lot the arbitration practitioners and users in the region.

Thank you very much!