

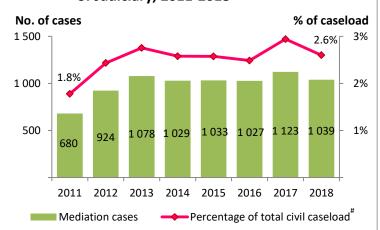
Research Office Legislative Council Secretariat



ISSH04/19-20

## **Mediation services in Hong Kong**

Figure 1 – Number of mediation cases with directives\* of Judiciary, 2011-2018



Notes: (\*) Referring to cases which completed mediation with progress reports submitted as directed by the Court.

(#) Excluding family cases in District Court.

Figure 2 – Mediation cases with directives of Judiciary by court level, 2011-2018

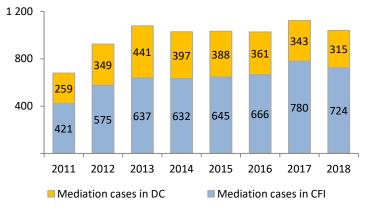


Figure 3 – Success rate\* of mediation cases with directives of Judiciary, 2011-2018



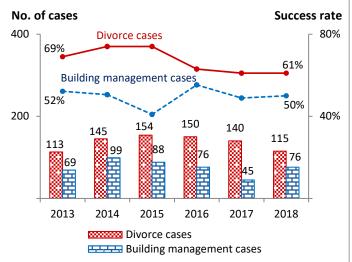
Note: (\*) Including cases reaching full or partial agreement.

## Highlights

- Litigation is the most common mechanism to resolve civil disputes in Hong Kong, but its procedure is deemed to be very lengthy and costly. As alternatives, the Government has been promoting (a) arbitration services under which the decision of an arbitrator is binding to all disputing parties after hearing of evidence; and (b) mediation services under which a mediator helps these parties to reach a consensual solution through peaceful negotiation themselves. This piece focuses on recent developments of the latter services.
- Over the past decade or so, the Government took active steps to foster mediation services. A working group was set up to study relevant policy proposals in 2008, followed by enactment of the Mediation Ordinance in 2013 aiming at clarifying key issues such as confidentiality of mediation communications. As a result, the number of mediation cases with directives from the Judiciary to consider using mediation surged by 53% during 2011-2018, along with a rise in their share in general civil caseload (e.g. civil actions, commercial actions and personal injuries) from 1.8% to 2.6% (Figure 1)
- The directives on mediation by the Judiciary are applicable to the Court of First Instance ("CFI") and District Court ("DC") at present. In 2018, as many as 70% of the above mediation cases were seen in CFI, conceivably because higher litigation costs there made mediation an attractive dispute resolution option. During 2011-2018, the number of mediation cases in CFI increased by 72%, three times the corresponding figure of 22% for DC (Figure 2).
- Turning to the success rate, only about half (51%) of the mediation cases in CFI managed to achieve a solution acceptable to all parties concerned in 2018, but it already improved from 38% in 2011. The success rate of medication cases in DC showed less movement, holding stable at 48% in both 2011 and 2018 (Figure 3).

## Mediation services in Hong Kong (cont'd)

Figure 4 - Cases referred to mediators by the Judiciary\*



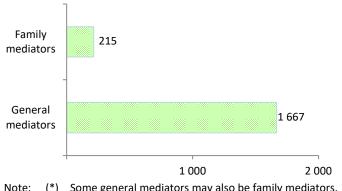
(\*) Referring to cases which completed mediation. Note:

Figure 5 – Time and cost of mediation cases in 2018\*

	Average time (hours per case)	Average fee (HK\$ per case)
Cases in CFI	4.5	17,298
Cases in DC	3.5	11,852
Divorce cases	11.0	9,661
Building management cases	4.4	Not applicable

Note: (\*) Including successful and unsuccessful cases.

Figure 6 – Number of mediators accredited by HKMAAL in 2019\*



Some general mediators may also be family mediators, with certain overlapping.

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## **Highlights**

- On top of directives, the Judiciary has been providing referral service to help disputing parties select mediators for divorce cases in the Family Court since 2000, and for building management cases in the Lands Tribunal since 2008. For the former, the referral caseload stood at 115 in 2018, with a success rate of 61%. For the latter, the caseload was 76 cases, with a lower success rate of 50% (Figure 4).
- As discussed above, mediation procedure is much shorter and cheaper than litigation. In 2018, it took less than five hours on average to complete mediation for CFI, DC and building management cases (Figure 5). The respective time for divorce cases was a little bit longer, but still within 11 hours. While the average fees for mediation were HK\$17,300 in CFI and HK\$11,900 in DC, fees for divorce cases averaged at HK\$9,700 only, primarily because of concessionary rates offered to those divorcees with financial difficulties by non-profit making mediators. building management cases, mediation was mostly free of charge, as 98% of such cases engaged volunteer mediators for promotion of mediation.
- On qualifications of mediators, Hong Kong Mediation Accreditation Association Limited ("HKMAAL") was set up in 2012, aiming at becoming the single accreditation body in Hong Kong. As at October 2019, it had 1 667 general mediators and 215 family mediators with special qualifications for family dispute resolution (Figure 6). Most recently in September 2019, the Government held a joint conference with the legal departments of Guangdong and Macao, looking into the proposal of introducing a unified accreditation standard for the Greater Bay Area.
- In November 2018, the Government opened the West Kowloon Mediation Centre to promote use of mediation in small claims cases not exceeding HK\$75,000. A pilot scheme was launched to match disputing parties with a suitable mediator. If both parties decide to proceed with mediation after the matching, each of them only needs to pay an application fee of HK\$200, with mediation and venue fees waived.

Data sources: Latest figures from Hong Kong Mediation Accreditation Limited and the Judiciary.