Bills Committee on Arbitration and Mediation Legislation (Third Party Funding) (Amendment) Bill 2016

List of follow-up actions arising from the discussion at the meeting on 28 February 2017

- 1. The Administration was requested to:
 - (a) provide a written response to the Committee stage amendment which is intended to be proposed by Dr Junius HO; and
 - (b) consider amending the new section 98G(2) (or any other clause(s) of the Bill) to provide that under certain circumstances third party funding of arbitration will include the provision of arbitration funding by a person practising law (or providing legal services) in Hong Kong or elsewhere and, in those circumstances, the person will not be prohibited by the common law doctrines of champerty and maintenance to provide the said kind of funding.

2. It is noted that the new section 7A of the Mediation Ordinance (Cap. 620) extends the application of the new Part 10A of the Arbitration Ordinance (Cap. 609) to mediation to which Cap. 620 applies. According to section 5(2) of Cap. 620, Cap 620 does not apply to the processes specified in Schedule 1 to Cap. 620 ("specified processes"). These processes are mainly mediation and conciliation referred to in other ordinances. As such, it seems that the application of the new Part 10A of Cap. 609 does not extend to the specified processes. In the light of the above, the Administration was requested to:

- (a) provide the policy and/or legal considerations of the above arrangement relating to the extent of application of the new Part 10A of Cap. 609; and
- (b) consider whether the application of the said new Part 10A of Cap. 609 may be extended so that it also applies in respect of the specified processes (or any of the processes) and provide the relevant policy and/or legal considerations.

Council Business Division 4 <u>Legislative Council Secretariat</u> 10 March 2017