津政司 政務及發展科

香港下亞厘峰道18號 津政中心中座5樓



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5/F, Main Wing Justice Place 18 Lower Albert Road, Hong Kong

Our Ref.: DOJ/CR 5-30/3/9C

Your Ref.: CB1/F/3/6 Tel. No.: (852) 3918 4222 Fax No.: (852) 3918 4251

21 May 2019

Clerk to the Establishment Sub-Committee Legislative Council (Attention: Miss Judy YEE)

Dear Miss YEE,

Establishment Sub-committee Follow-up items on the Meeting held on 7 May 2019

I refer to the request dated 8 May 2019 regarding Establishment Subcommittee Paper EC(2018-19)35 to provide supplementary information on the details and effectiveness of the initiatives undertaken by the Government to promote the legal and dispute resolution services of Hong Kong.

The reply is attached at Annex for your perusal please.

Yours sincerely,

Director of Administration and Development
Department of Justice

Encl.

Details and effectiveness of the initiatives undertaken by the Department of Justice to promote the legal and dispute resolution services of Hong Kong

It is one of the key policy initiatives of the Department of Justice (DoJ) to enhance and consolidate Hong Kong's status as a major international legal and dispute resolution services centre in the Asia-Pacific region.

Through organising, or co-organising with international and local institutions and organisations, various international events, conferences, training courses and activities in Hong Kong as well as participating in, supporting or encouraging such events and activities, and organising capacity building and promotional activities overseas, the DoJ strives to raise the international profile of Hong Kong in deal making and dispute resolution. The major promotional measures and activities undertaken by the DoJ since mid-2018 include the following items. The DoJ may assess the effectiveness of such measures and activities based on the size of attendance and the feedback of the participants.

- (a) "Mediation Week 2018" was held from 11 to 18 May 2018 under the theme of "Mediate First Exploring New Horizons". It featured a mediation conference and other thematic events to promote the use of mediation in various sectors including the education, medical, entertainment, labour and commercial sectors. It also included the "4th Shanghai-Hong Kong Commercial Mediation Forum" held on 19 May 2018 which was organised by the Joint Mediation Helpline Office, the Hong Kong Mediation Council and the Shanghai Commercial Mediation Center with the DoJ as the co-organiser. The turnout and feedback received were positive, with a total turnout of more than 1 750 participants for the various Mediation Week activities and over 580 participants for the Mediation Conference.
- (b) On 5 September 2018, the DoJ co-organised the fifth Hong Kong Legal Services Forum in Guangzhou with the Hong Kong Trade Development

Council (HKTDC) and the legal and dispute resolution services sector under the theme of "From Bay Area to International Arena" to enhance co-operation and exchanges between practitioners and enterprises in Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area. The Forum was attended by over 1 200 participants.

- (c) In September 2018, the DoJ supported the Asian Academy of International Law (AAIL) in collaborating with the Asian-African Legal Consultative Organization (AALCO) to participate in the fourth China-AALCO Exchange and Research Program on International Law and organise a training session in Hong Kong on areas including investment law and handling of trade and investment disputes. The training session was attended by over 40 diplomats and government officials from Asia and other regions.
- (d) On 20 September 2018, in commemoration of the 60th anniversary of the signing of the *United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards* (i.e. the New York Convention), the DoJ, the United Nations Commission on International Trade Law (UNCITRAL) and the AAIL jointly organised a forum in Hong Kong under the theme of "Rejuvenating New York Convention in the 21st Century", which attracted 230 participants including prominent experts on arbitration and mediation as well as distinguished judges from around the world. The Secretary of UNCITRAL also attended as a speaker. The Forum reviewed the application of the New York Convention and looked to the future of its application.
- (e) In October 2018, the DoJ, the International Centre for Settlement of Investment Disputes (ICSID) and the AAIL jointly organised Asia's first investment law and investor-state mediator training course in Hong Kong, inviting internationally renowned trainers on investment law and investment mediation skills from the ICSID and the Centre for Effective Dispute Resolution (CEDR). The course was attended by around 50 participants including legal and mediation practitioners and government officials from Asia (including the Mainland) and Africa.
- (f) During the "Think Global, Think Hong Kong" event held in Tokyo in November 2018, the DoJ and the HKTDC co-organised a seminar

entitled "From Deal Making to Dispute Resolution: Legal Risk Management for Japanese Enterprises" to promote Hong Kong's legal and dispute resolution services and discussed issues including protection of intellectual property rights in cross-border transactions and utilisation of third party funding of arbitration in cross-border commercial disputes. The seminar was attended by around 190 participants.

- in Hong Kong, during which the DoJ and the HKTDC co-organised a session on "Framing Global IP Protection Strategy in Tech-Innovative Century", exploring issues including trademark protection, brand building and resolution of disputes over intellectual property rights. Distinguished speakers from intellectual property and dispute resolution sectors delivered speeches at the session, which was attended by over 400 participants.
- (h) On 16 and 17 January 2019, the DoJ, UNCITRAL and the AAIL jointly organised the Public-Private Partnerships Conference to discuss legal issues concerning public-private partnerships and infrastructure financing in Belt and Road projects. Representatives from the Ministry of Foreign Affairs, Ministry of Commerce, State-owned Assets Supervision and Administration Commission of the State Council and state-owned enterprises attended the conference as speakers.
- (i) On 13 February 2019, the DoJ and the AAIL co-organised the Investor-State Dispute Settlement (ISDS) Reform Conference as a means to facilitate discussions amongst Asian countries on formulating reform policies. The conference attracted more than 200 participants, including world-renowned investment law experts, legal practitioners, representatives of arbitration institutions, local and international scholars, representatives of international organisations (including UNCITRAL and ICSID) and senior government officials (including those from the Ministry of Commerce and the Ministry of Foreign Affairs of the PRC and officials from other Asian countries). The event received coverage by international media¹.

See an article on *Kluwer Arbitration Blog* entitled "Hong Kong is Mapping the Way Forward in ISDS Reform", available at

http://arbitrationblog.kluwerarbitration.com/2019/03/29/hong-kong-is-mapping-the-way-forward-in-isds-reform/

- The DoJ has been actively engaging in and leading the Friends of the (i) Chair on Strengthening Economic and Legal Infrastructure (SELI), of which DoJ counsel acts as the Convenor, under the Asia-Pacific Economic Cooperation (APEC) Economic Committee. On 3 and 4 March 2018, SELI organised the "Workshop on the use of Modern Technology for Dispute Resolution and Electronic Agreement Management (Particularly ODR)" in Papua New Guinea. SELI also organised the Stocktake Workshop on the SELI ODR Work Plan on 2 and 3 March 2019 in Chile, which focused on taking stock of the progress made under the SELI ODR Work Plan and looking into the rules and terms in relation to using the ODR platform. A number of experts and academics from APEC member economies as well as representatives of international organisations attended and exchanged ideas at the said workshops, which had gained attention and support from APEC member economies as well as international media coverage.
- (k) The 16th Willem C. Vis (East) International Commercial Arbitration Moot (Vis East Moot) was held in Hong Kong from 31 March to 7 April 2019 with the participation of over 130 teams representing universities from 34 countries and regions. On 31 March, the Secretary for Justice gave a speech at the Vis East Moot Lecture to the university students participating in the Vis East Moot on the importance of interim measures to arbitral proceedings.
- (l) The DoJ is now actively negotiating with other countries and regions for agreements or co-operation arrangements relating to legal services. In January 2019, the DoJ and the Ministry of Justice of Japan signed a Memorandum of Cooperation to strengthen their collaboration on international arbitration and manpower training etc. and enhance the status of Hong Kong as an arbitration centre in the Asia-Pacific region. During the Secretary for Justice's duty visit to Europe in April 2019, arrangements and opportunities for further co-operation were explored with the Minister of Justice of France and the Secretary General of the Federal Ministry of Constitutional Affairs, Reforms, Deregulation and Justice of Austria respectively.
- (m) The biennial "Mediate First Pledge" (MFP) event encourages organisations and persons to subscribe to the Pledge and commit to first

considering the use of mediation to resolve disputes arising in the course of their operation before resorting to other dispute resolution processes or litigation. More than 500 participants attended the MFP event 2017 entitled "Mediate First: Moving Forward" with more than 100 new pledges received. The event featured a seminar on mediation, mock mediation demonstration and a MFP reception. About 470 entities have now signed the Pledge. The MFP event 2019 with the theme "Mediate First: Unlocking Potential" will be held on 24 May 2019. Besides the reception, there will also be thematic seminars on various topics in mediation including sports mediation, deal mediation and investment mediation.

Besides, the DoJ is also informed by the feedback of the international community on a particular measure from the coverage by media and academic institutions worldwide. For example, the DoJ and the Supreme People's Court 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 Hong Kong Special Administrative Region on 2 April 2019, allowing parties to arbitral proceedings in Hong Kong administered by designated arbitral institutions to apply to the Mainland courts for interim measures, in order to ensure that the arbitral proceedings can be carried out effectively. pursuing arbitration in Hong Kong will be able to utilise a more comprehensive legislative framework from now onwards. This has subsequently received wide coverage by the local industry, international media and academic institutions, with the Arrangement generally regarded as bringing positive impact on arbitration services in Hong Kong and enhancing the attractiveness of Hong Kong as a seat of arbitration to deal with Mainland-related disputes. Reference may be made to the following articles:

- An article in *Global Arbitration Review* entitled "Hong Kong arbitrations to get interim relief in China"²;
- An article in *Kluwer Arbitration Blog* entitled "Hong Kong and Mainland China Agree upon Bilateral Arrangement Regarding Interim Measures for Arbitration";

The article is available at

https://globalarbitrationreview.com/article/1189561/hong-kong-arbitrations-to-get-interim-relief-in-china

The article is available at

http://arbitrationblog.kluwerarbitration.com/2019/04/02/hong-kong-and-mainland-china-agree-upon-bilateral

- An article in *Asian Legal Business* entitled "HK, PRC courts ink deal to offer interim measures for arbitration"⁴:
- An article in *JD Supra* entitled "Groundbreaking Arrangement Allowing Interim Measures in Mainland China for Hong Kong Arbitrations"⁵; and
- An article in *Mondaq* entitled "Hong Kong: A Game Changer: Hong Kong And China Agree Milestone Arrangement For Interim Measures in Arbitration".

The DoJ will also continue to draw reference from the overall performance and ranking of Hong Kong in relevant international surveys, such as the *International Arbitration Survey* conducted by the Queen Mary University of London⁷, and remain in close liaison with industry players so as to understand the needs and feedback of the industry and the international community in respect of the international legal and dispute resolution services of Hong Kong.

⁻arrangement-regarding-interim-measures-for-arbitration/

⁴ The article is available at

https://www.legalbusinessonline.com/news/hk-prc-courts-ink-deal-offer-interim-measures-arbitration/77538

The article is available at https://www.jdsupra.com/legalnews/groundbreaking-arrangement-allowing-32065/

⁶ The article is available at

http://www.mondaq.com/hongkong/x/798538/Arbitration+Dispute+Resolution/A+game+changer+Hong+Kong+and+China+agree+milestone+arrangement+for+interim+measures+in+arbitration

The survey findings are available at http://www.arbitration.qmul.ac.uk/research/2018/