## 立法會

### Legislative Council

LC Paper No. CB(4)1423/20-21 (These minutes have been seen by the Administration)

Ref: CB4/PL/AJLS

#### Panel on Administration of Justice and Legal Services

#### Minutes of meeting held on Monday, 22 March 2021, at 4:30 pm in Conference Room 2 of the Legislative Council Complex

**Members present** : Hon CHEUNG Kwok-kwan, JP (Chairman)

Hon Martin LIAO Cheung-kong, GBS, JP (Deputy Chairman)

Hon Starry LEE Wai-king, SBS, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon Paul TSE Wai-chun, JP Hon Elizabeth QUAT, BBS, JP

Hon CHUNG Kwok-pan

Hon Jimmy NG Wing-ka, BBS, JP Dr Hon Junius HO Kwan-yiu, JP Hon Holden CHOW Ho-ding Hon YUNG Hoi-yan, JP

**Public Officers** attending

: Agenda item III

Department of Justice

Mr Peter WONG

Deputy Law Officer (Treaties & Law)

Ms Lorraine CHAN

Deputy Principal Government Counsel (Treaties & Law)

Miss Katie KWONG

Senior Government Counsel (Treaties & Law)

#### Agenda item IV

**Department of Justice** 

Dr James DING

Commissioner

Inclusive Dispute Avoidance and Resolution Office

Miss Deneb CHEUNG

Senior Assistant Solicitor General (China Law)

Ms Ling Ling NG

Senior Government Counsel (Acting)

Mr James LAM

Senior Government Counsel (Acting)

Inclusive Dispute Avoidance and Resolution Office

# Attendance by invitation

: Agenda item III

Hong Kong Bar Association

Mr Hugh KAM

Chairperson of Standing Committee on

**International Practice** 

#### Agenda item IV

The Law Society of Hong Kong

Mr C M CHAN Vice President

Mr Neville CHENG

Vice-Chairman of Greater China Legal Affairs

Committee

Mr Eric WOO Hing-yip

Member of Arbitration Committee

Ms CHUI Hoi-yee

Member of Arbitration Committee

Mr WAN Hoi-tick

Dispute Resolution Coordinator

Hong Kong Bar Association

Mr Jonathan WONG

**Clerk in attendance** : Mr Lemuel WOO

Chief Council Secretary (4)6

**Staff in attendance** : Ms Clara TAM

Senior Assistant Legal Adviser 2

Miss Janice HO

Council Secretary (4)6

Ms Emily LIU

Legislative Assistant (4)6

#### I. Information paper(s) issued since the last meeting

There was no information paper issued since the last meeting.

#### II. Items for discussion at the next meeting

(LC Paper No. CB(4)648/20-21(01) - List of outstanding items for discussion

LC Paper No. CB(4)648/20-21(02) - List of follow-up actions

- 2. <u>Members</u> noted that the following items would be discussed at the next regular meeting of the Panel on Administration of Justice and Legal Services ("AJLS Panel") to be held on 26 April 2021
  - (a) Latest developments in international arbitration for Hong Kong; and
  - (b) Mediation initiatives of the Department of Justice.

(Post-meeting note: Members were informed vide LC Paper No. CB(4)794/20-21 on 14 April 2021 that the item "Enhancements to the mechanism for handling complaints against judicial conduct" would be added to the agenda of the Panel meeting. Subsequently, members were informed vide LC Paper No. CB(4)841/20-21 on 22 April 2021 that the Panel meeting on 26 April 2021 was rescheduled to 14 May 2021.)

# III. Public consultation on the proposed application of the United Nations Convention on Contracts for the International Sale of Goods to the Hong Kong Special Administrative Region

(LC Paper No. CB(4)648/20-21(03) - Paper provided by the Administration

- LC Paper No. CB(4)648/20-21(04) Updated background brief prepared by the Legislative Council Secretariat)
- 3. <u>Deputy Law Officer (Treaties & Law) ("DLO(T&L)") of the Department of Justice ("DoJ")</u> briefed members on the outcome of the public consultation on the proposed application of the United Nations Convention on Contracts for the International Sale of Goods ("CISG") to the Hong Kong Special

Administrative Region ("HKSAR") ("the Proposal") conducted by the Administration and its plan of extending the application of CISG to HKSAR.

4. <u>Members</u> noted that a majority of the public responses, including those from the two legal professional bodies, to the consultation paper on the Proposal issued by the Administration in March 2020 ("the Consultation Paper") had expressed support while the Hong Kong General Chamber of Commerce ("HKGCC") had reservation on the Proposal. <u>DLO(T&L)</u> summed up the Administration's preliminary views set out in its reply letter to HKGCC regarding certain points raised by the latter, in particular on the effect of the Proposal on freedom of contract. He said that no further response or comments had been received from HKGCC.

#### Views of the Hong Kong Bar Association

- 5. Mr Hugh KAM, representative of the Hong Kong Bar Association ("Bar Association"), referred to the Bar Association's written submission made to the Administration in August 2020 and reiterated its support for the Proposal. Mr KAM then elaborated on the Bar Association's views regarding the business sector's concerns about the uncertainties as to how conflicts between CISG and Hong Kong existing law could be resolved. He pointed out that, as CISG had been adopted in many common law jurisdictions since 1980s, relevant judgments abounded which would provide guidance and reference on how particular provisions of CISG should be interpreted as well as how conflicts with local legislation, if arose, could be resolved under the common law system. On the other hand, the differences between CISG and the Sales of Goods Ordinance (Cap. 26) were largely technical in nature so that disputes arising from the differences should be rather unlikely.
- 6. Mr Hugh KAM further said that CISG would apply only to agreements entered into after its adoption through the enactment of a new piece of legislation, therefore there was no need to review and amend the pre-existing agreements. Despite the time and costs which might be invested for familiarizing with CISG when it was applied to Hong Kong, the Bar Association considered that the benefits to Hong Kong would outweigh such investments in the long run.
- 7. Mr Hugh KAM also reiterated the Bar Association's views on why there was no need to make the reservation under Article 95 of CISG to declare that it was not bound by Article 1(1)(b) of CISG, and welcomed the Administration's indication of its intention to consult the Central People's Government ("CPG") on the option of not extending the reservation to Hong Kong. Mr KAM further said that the Bar Association would be interested to hear as how that consultation materialised.

#### Discussion

Contracting States to the United Nations Convention on Contracts for the International Sale of Goods

8. Mr Holden CHOW and Mrs Regina IP enquired about the number of Contracting States to CISG ("Contracting States") and among them, how many were governed under common law system. In response, DLO(T&L) pointed out that as at the end of January 2021, 94 countries had become parties to CISG with Portugal being the latest signatory state. The United States, Australia, New Zealand and Canada were among those major common law jurisdictions which were Contracting States.

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9. <u>DLO(T&L)</u> added that, while CISG was not adopted by the United Kingdom ("UK"), CISG might still be applicable in UK for cases to be resolved by means of arbitration if both parties to the contract agreed to its adoption. As for other common law jurisdictions, there were states who were parties to CISG such as Singapore, and those who were not, e.g. India. He also informed members that CISG had been applied in about half of the countries participating in the Belt and Road Initiative. In response to Mrs Regina IP's request, <u>DLO(T&L)</u> undertook to provide an up-to-date list of Contracting States for members' reference.

(Post-meeting note: An up-to-date list of Contracting States was issued to members on 1 April 2021 via LC Paper No. <u>CB(</u>4)713/20-21(01).)

Benefits to Hong Kong and the legal profession

- 10. <u>Dr Priscilla LEUNG</u> said that arbitration was a popular means for international commercial dispute resolution and, as a practising arbitrator herself; she fully understood the benefits of having a set of uniform and mutually-agreed rules for parties to the arbitration to proceed with. She said that CISG was the outcome of collaborative efforts made by countries which, notwithstanding their different legal traditions, were willing to seek common grounds and accommodate differences, and agreed on a uniform set of rules to govern contracts for the international sale of goods.
- 11. <u>Dr Priscilla LEUNG</u> expressed support for extending the application of CISG to HKSAR as it would provide a mutually agreed set of rules understood by parties to contracts in case of disputes, hence remove legal barrier in, and promote the development of, international trade. <u>Dr LEUNG</u> considered that Hong Kong was lagging behind its trading partners in that respect. While she understood that certain parties of the commercial sector had had reservation on the proposed application of CISG to HKSAR, she encouraged them to keep an

open mind to this new initiative which had been adopted by many of their trading partners and with the support of the two legal professional bodies in Hong Kong.

- 12. Mrs Regina IP noted that the Consultation Paper had proposed that, by applying a neutral and visible set of rules to the transactions between parties from different members of the CISG, Hong Kong businesses would obtain a benefit from reduced transaction costs in the event that a dispute arose from the contracts by avoiding having to obtain legal advice on foreign law and retain foreign litigators. As such, she questioned whether the application of CISG to HKSAR would weaken the demand for Hong Kong legal services.
- 13. In response, DLO(T&L) said that after the application of CISG to HKSAR, the legal profession with sufficient familiarization with the CISG rules would still play an important role in matters relating to contracts for the international sale of goods. He said that, as the autonomy of the parties to international sales contracts was a fundamental theme of CISG, the parties could, by agreement, derogate from or vary the effect of the any CISG rules subject to an exception and decide the contractual terms based on the circumstances of Furthermore, it was envisaged that there might still be a individual contracts. certain amount of contractual disputes based on the experience and precedents of other Contracting States. In view of the above, DLO(T&L) considered that the support and advice from the legal profession would be indispensable. He said that, for example, while Article 35 of CISG mentioned about the quantity and quality of goods, legal advisory input would still be required on how the contract details should be drafted to give effect to that Article.

#### Potential conflicts with Hong Kong law

- Mr Holden CHOW enquired whether there was any potential conflict between CISG and Hong Kong law, in particular Cap. 26, and how they could be overcome. DLO(T&L) replied that a systematic analysis had been conducted by the Administration as detailed in Chapter 2 of the Consultation Paper to compare CISG and Hong Kong law. The conclusion, which was generally accepted by the parties consulted, was that compatibility did not pose a strong argument against the application of CISG to HKSAR. He went on saying that comparing to the common law, CISG was relatively more pro-contract in the sense that its policy was to keep the contract alive rather than allow for easy termination, unless there was a fundamental breach.
- 15. <u>DLO(T&L)</u> further explained that in accordance with Article 25 of CISG, a breach was fundamental if it resulted in such detriment to the other party as substantially to deprive him of what he was entitled to expect under the contract. By comparison, under the common law, it would be easier for a party to the contract to go for its termination if there was a breach in any condition(s).

<u>DLO(T&L)</u> further said that CISG was the result of collaboration among members of the United Nations Commission on International Trade Law, which was by no means an easy task since these members were coming from common law as well as civil law jurisdictions. Furthermore, with 94 Contracting States having adopted CISG currently, including half of the Belt and Road countries, the application of CISG to HKSAR would assist in promoting external trade and decreasing transaction costs.

"Opting-in" or "Opting-out" as the default position

- Mr Holden CHOW noted that HKGCC had expressed reservation on the Proposal with particular concerns about the proposed imposition of CISG rules as a default position, i.e. to change the current "opt-in" position to an "opt-out" position. He queried how Hong Kong businesses would be better off with the current "opt-in" position changed to the "opt-out" position assuming that CISG would be applied to Hong Kong. Mrs Regina IP shared a similar concern and pointed out that, as HKGCC had observed from the Consultation Paper, there were high exclusion rates of CISG rules in certain Contracting States. She therefore cast doubt on the effectiveness of CISG in reducing transaction costs.
- 17. In response to Mr Holden CHOW and Mrs Regina IP, <u>DLO(T&L)</u> pointed out that the prime difficulty with maintaining the status quo, i.e. maintaining the "opt-in" position, was that a Hong Kong business could not effectively create a contract which was governed by CISG and possibly also Hong Kong law, and CISG could not be used as originally designed. He then referred to an argument bought in by HKGCC against the application of CISG to HKSAR that, if CISG rules were adopted as a default, any deviation from CISG rules would require the other party's agreement and if the other party was unwilling to do so, the Hong Kong business would have no option but to accept CISG rules or refuse to buy or sell the goods in question.
- 18. In response to that argument, <u>DLO(T&L)</u> said that the question of choice of law for a sale of goods contract was largely a question of agreement by parties and a matter of commercial decision, to which the bargaining power of the respective parties would be an important factor. As such, even if the status quo was maintained, Hong Kong businesses would possibly face the same scenario mentioned above since they were transacting with counterparts from all over the world and the difficulties in agreeing on the governing law of the contract would still linger.
- 19. <u>DLO(T&L)</u> went on saying that the automatic application of CISG to HKSAR would have the attraction that, when a party to a contract had difficulties in convincing the other to accept its preferred choice of law clause, Hong Kong businesses would have an additional choice of law option, i.e. the uniform and

neutral CISG if it had been applied to Hong Kong, to put on the negotiation table. <u>DLO(T&L)</u> added that CISG would give parties to the contract the freedom to derogate from or vary the effect of any its provisions as well as the freedom to exclude CISG in its entirety in accordance with their agreed commercial decision.

20. In response to Mrs Regina IP's request for the statistics on the exclusion rates of the Contracting States, <u>DLO(T&L)</u> explained that the exclusion rates were based on the general observations of the legal profession in the countries concerned and did not provide a comprehensive view of the situations in all the Contracting States. On the other hand, <u>DLO(T&L)</u> said that the fact that there was an increasing number of Contracting States, including Portugal who was the latest signatory State, lent support to the growing popularity of CISG.

#### The Mainland-Hong Kong sales transactions issue

- 21. <u>Dr Priscilla LEUNG</u> commented that there had been close economic ties between Mainland and Hong Kong and the People's Republic of China ("PRC") had long been a Contracting State. Therefore, Hong Kong businesses and the legal profession were looking forward to the early application of CISG to HKSAR including the Mainland-Hong Kong sales transactions.
- 22. <u>Dr Priscilla LEUNG</u> expressed disappointment with the Administration's plan to remove clause 4(2) of the draft Bill, as set out in Annex 4.1 of the Consultation Paper, which sought to implement the unilateral application-approach proposal of applying CISG rules also to the contracts for the Mainland-Hong Kong sales of goods. She also enquired about the Administration's timetable for initiating discussion with the CPG regarding the proposal to negotiate with the Mainland an arrangement for the mutual application of CISG provisions to Mainland-Hong Kong sales transactions, and implement such arrangement in the Mainland and Hong Kong.
- 23. In reply, <u>DLO(T&L)</u> said that the Administration fully recognized the importance of the matter and the concerns expressed by Dr Priscilla LEUNG. At the same time, it was also aware that Mainland-Hong Kong sales transactions were transactions within the same country and CISG, being an international convention governing international sale of goods, would not apply. <u>DLO(T&L)</u> further said that there was a view gathered during the public consultation that a bilateral-arrangement-approach might be a better way to ensure the reciprocal applicability of CISG rules in the case where the parties adopt the PRC law. Having regard to this view, the Administration considered it prudent to go for the reciprocal applicability of CISG between both sides through discussions with the Mainland, which might take some time to conclude.

- IV. Recent developments on Hong Kong's legal and dispute resolution services in the Greater Bay Area ("GBA"), including the Greater Bay Area Legal Professional Examination and other initiatives
  - (LC Paper No. CB(4)648/20-21(05) Paper provided by the Administration
  - LC Paper No. CB(4)648/20-21(06) Background brief prepared by the Legislative Council Secretariat)
- 24. <u>Commissioner of Inclusive Dispute Avoidance and Resolution Office of DoJ ("C/IDAR")</u> briefed members on the recent developments on Hong Kong legal and dispute resolution services in the Greater Bay Area ("GBA") including the Greater Bay Area Legal Professional Examination ("the GBA Examination"), the latest work on developing Hong Kong as the capacity building centre for GBA and the proposed measures to be taken forward in GBA including the initiative allowing wholly owned Hong Kong enterprises in the GBA" to adopt Hong Kong law and choose for arbitration to be seated in Hong Kong".

#### Views of The Law Society of Hong Kong

- 25. Mr C M CHAN of The Law Society of Hong Kong ("the Law Society") said that the Law Society hailed the implementation of the pilot measures for Hong Kong and Macao legal practitioners to obtain Mainland practice qualifications and to practise as lawyers in the nine Mainland municipalities in GBA (the "Pilot Measures"), which was a breakthrough after years of endeavour made by DoJ and the Law Society. He expressed his wish that the measures would continue after the pilot stage and, besides GBA, Hong Kong legal practitioners obtaining the lawyer's practice certificate (GBA) would be allowed to practise in other Guangdong's cities outside GBA, and to the whole country progressively.
- Mr C M CHAN also informed members about the Law Society's initiatives relating to the promotion of Hong Kong legal services in GBA. He said that the Law Society had started a communication network with nine lawyers' associations within GBA, including Macao. Quarterly meetings were held among them to explore business opportunities for the development of legal services for legal practitioners, especially the junior lawyers, in Hong Kong, Mainland and Macao. Webinars had been or would be conducted on special topics such as wills and probate and property transactions between the Mainland, Hong Kong and Macao, and how the lawyers in the three places could cooperate on the relevant matters.

#### The Greater Bay Area Legal Professional Examination

27. Mr Neville CHENG of the Law Society said that, as Hong Kong legal practitioners would be precluded from handling criminal and administrative cases even after they had obtained the lawyer's practice certificate (GBA), the legal profession had suggested that the subjects for examination under the GBA Examination should exclude those topics. There was also a view that, since the GBA Examination was targeted at the more experienced Hong Kong lawyers, a simplified accreditation standard could be adopted to enable Hong Kong lawyers who had accumulated more than 10 or 15 years of practice experience in a specialized legal field to be qualified for limited practice in GBA in the relevant field without taking the GBA Examination.

#### Dispute resolution services in the Greater Bay Area

- 28. <u>Ms CHUI Hoi-yee of the Law Society</u> said that the previous efforts in promoting Hong Kong arbitration services to GBA and other Mainland cities were mainly seminars and conferences for discussion and exchange of views. It was paramount to promote to the users, i.e. the business sector, so that they would be amenable to adopt arbitration as the mode of dispute resolution in their transactional documents. To enhance the business sector's understanding of the advantages of arbitration and its acceptance, <u>Ms CHUI</u> suggested that future seminars on arbitration should be industry-based and focusing on specific topics, targeting the needs and concerns of particular businesses or industries such as construction, properties, international trade, logistics, financial technologies, insurance, etc. Furthermore, promotion of the arbitration and its benefits to the general public should also be stepped up.
- 29. Mr Eric WOO of the Law Society supplemented that the costs involved in arbitration might be one possible hindrance discouraging the use of arbitration services. He suggested that the Administration might consider, as an incentive, subsidizing the costs of businesses which adopted arbitration for dispute resolution. Alternatively, consideration might be given to provide direct subsidies to arbitration institutions so that the costs for arbitration would be lowered to increase its attractiveness.
- 30. Mr Eric WOO further opined that the Administration might consider setting up in GBA institutions similar to the Financial Dispute Resolution Centre in Hong Kong which provided specific types of dispute resolution services through arbitration and mediation. He also said that there was a lack of practising opportunities for the less experienced arbitrators and mediators in Hong Kong. As such, the Administration should help provide more practising opportunities for junior arbitrators to nurture their skills and practical experience.

#### Views of the Hong Kong Bar Association

Mr Jonathan WONG of the Bar Association, in his own capacity, indicated support for the initiatives and measures to be taken forward in GBA by the Administration. Nevertheless, he pointed out that owing to the difference in nature of the practices of barristers and solicitors, the benefits of the above initiatives and measures for barristers were less obvious than those to the solicitors. For example, as it was the tradition that a barrister was practising as a sole proprietor with his/her own chamber, many barristers were not sure how this business model would work in GBA even they had passed the GBA Examination and obtained the lawyer's practising certificate (GBA). Mr WONG requested that the Administration could do more promotion to clarify such matters.

#### Discussion

The Greater Bay Area Legal Professional Examination

32. <u>Dr Junius HO</u> noted that there were over 700 participants joining an online seminar on the GBA Examination co-hosted by DoJ and the Ministry of Justice ("MoJ"). Presuming that they had all enrolled for the GBA Examination, <u>Dr HO</u> enquired about the respective number of solicitors and barristers among them. In reply, <u>C/IDAR</u> clarified that the "over 700 participants" only referred to participants in the online seminar which introduced the relevant GBA Examination policies as well as the current position and development opportunities of legal services, but was not the number enrolled for the examination. He further explained that the Administration had been maintaining close communication with MoJ and would provide the figures on the number of persons taking the examination if it was available from MoJ.

(Post-meeting note: The Administration's response to the requested figures was circulated to members vide LC Paper No. CB(4)721/20-21(01) on 7 April 2021.)

Mr Holden CHOW enquired whether there was any roadmap on the future development of the legal and dispute resolution services in GBA after the pilot period, such as whether a quota would be set on the number of lawyer's certificates (GBA) to be issued annually. In reply, C/IDAR said that according to the decision adopted by the Standing Committee of the National People's Congress on authorising the State Council to implement the pilot measures regarding the GBA Examination, the way forward regarding the GBA Examination would depend on the outcome of the actual implementation in the three-year pilot period.

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Further measures on partnership associations in the Greater Bay Area

- Mr Holden CHOW noted that, notwithstanding the liberalisation 34. measures which had been implemented, such as the removal of the minimum capital injection ratio of 30% by Hong Kong partner firms in partnership associations set up between Hong Kong and Mainland law firms, the number of partnership associations which had been set up in Guangdong Province had remained stagnant at 12 for quite some time. He reckoned that, while capital requirement was an important consideration, lack of understanding about the operation of legal profession in the Mainland was also an obstacle for the small and medium-sized law firms in deciding whether to set up partnership associations in the Mainland. In this connection, Mr CHOW suggested that other opportunities for collaborating with the Mainland law firms (e.g. working on joint projects) should be provided to small and medium-sized law firms so that they could gain a better understanding about operating in the Mainland before making the final decision of forming partnership associations.
- 35. In response, <u>C/IDAR</u> said that in addition to the 12 partnership associations set up in Guangdong Province, some Hong Kong law firms had in fact set up partnership associations outside Guangdong Province, e.g. Hainan Province. He also said that, as a stepping stone, the small and medium-sized law firms might consider establishing representative offices in the Mainland or arranging secondment of staff to work in Mainland law firms to gain practical experience. <u>C/IDAR</u> said that the Administration welcomed any views and suggestions from the legal sector on measures to tap into the GBA market.

Business opportunities for Hong Kong barristers in the Greater Bay Area

36. Ms YUNG Hoi-yan said that the "Outline Development Plan of the Guangdong-Hong Kong-Macao Greater Bay Area" and "Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and the Long-Range Objectives Through the Year 2035" had clearly demonstrated CPG's staunch support for HKSAR and its professional However, she shared the view of Mr Jonathan WONG of the Bar Association that it was not easy for Hong Kong barristers to seize the opportunities in GBA. In particular, Ms YUNG questioned whether the Administration had any plan in the pipeline, including discussion with MoJ, on measures to facilitate Hong Kong barristers in setting up chambers in the Mainland, which was currently not possible. She also urged the Administration to offer more practical assistance to Hong Kong barristers, including the provision of information about what opportunities for cooperating with the Mainland law firms were available to them.

- 37. In reply, <u>C/IDAR</u> explained that various measures mentioned in the Administration's paper including the GBA Examination and measures relating to arbitration were to benefit both Hong Kong solicitors and barristers. Furthermore, the Administration had taken heed of the Bar Association's suggestion and sought CPG's agreement to allow Hong Kong legal practitioners (including barristers) to be retained as legal consultants by one to three Mainland law firms simultaneously, and to replace the approval requirements with filing procedures. Hong Kong barristers who have passed the GBA Examination could also be retained by Mainland law firms in GBA.
- 38. Notwithstanding the Administration's reply, <u>Ms YUNG Hoi-yan</u> expressed that it was unclear how Hong Kong barristers could apply to become legal consultants at Mainland law firms. <u>Ms YUNG</u> also requested the Bar Association to clarify whether Hong Kong barristers, if they were engaged as legal consultants by the Mainland law firms, would violate the Direct Access Rule under the Code of Conduct of the Bar of HKSAR. Furthermore, she noted that there was a list of barristers being engaged as legal consultants in the Mainland provided on the Bar Association's website, which had not been updated since 2016. <u>Ms YUNG</u> demanded that the Bar Association should provide more assistance to barristers on the matter.
- 39. <u>Dr Priscilla LEUNG</u> pointed out that, since the proposed measures to facilitate the development of Hong Kong legal and dispute resolution services in GBA were still at the pilot stage of implementation, it was understandable that the Mainland would have reservations on expanding Hong Kong lawyers' scope of practice too quickly. Nevertheless, all Hong Kong lawyers should get prepared to seize the opportunities for the legal profession in GBA.
- 40. <u>Dr Priscilla LEUNG</u> also disagreed to the view that solicitors would benefit more from the Pilot Measures than barristers and said that, as a practising barrister herself, she had been providing arbitration services in the Mainland for some time. She urged Hong Kong lawyers to act in full steam to seize any opportunities for them to provide quality legal services in GBA. Otherwise, they might lose the competition with legal practitioners from other jurisdictions who were vehement in entering the China's market. <u>Dr LEUNG</u> also quoted the example in Qianhai, where some Hong Kong legal practitioners had been invited to participate as legal experts in court hearings of some civil and commercial cases having common law elements, and encouraged Hong Kong lawyers to be more proactive in seeking opportunities in GBA.

Promoting Hong Kong Special Administrative Region as an international centre of legal and dispute resolution services, including in the Greater Bay Area

- 41. <u>Dr Junius HO</u> noted the Law Society's comments that the Administration should put in more resources for the promotion of arbitration and mediation services, and that junior arbitrators and mediators should be provided with more practising opportunities. On the other hand, <u>Dr HO</u> noted that the Finance Committee had recently approved a new commitment of HK\$100 million to support the development of an online dispute resolution ("ODR") and deal making platform ("the eBRAM platform") by eBRAM International Online Dispute Resolution Centre Limited ("eBRAM Centre").
- 42. <u>Dr Junius HO</u> questioned about the effectiveness of the eBRAM platform in providing cross-border one-stop dispute resolution services and how it could benefit the less-experienced dispute resolution practitioners. In reply, <u>C/IDAR</u> said that funding was given for the eBRAM platform with a view to providing ODR services including in the GBA. Further, under the COVID-19 Online Dispute Resolution Scheme launched in 2020, qualified parties to contractual disputes arising from contracts amidst the COVID-19 pandemic, with contract sums under HK \$500,000, could use the services provided through eBRAM platform with the costs for arbitrators and mediators borne by the Administration. <u>C/IDAR</u> went on saying that young arbitrators and mediators could consider to apply for the provision of services through eBRAM platform to gain more practical experience.
- 43. Referring to the suggestions of Mr Eric WOO of the Law Society made earlier at the meeting, <u>Dr Priscilla LEUNG</u> said that it was her preliminary view that while subsidizing arbitration institutions might be given further consideration, she would not support subsidizing parties to arbitration. She went on saying that if the suggestion was pursued, LegCo Members had the responsibility to safeguard against any abuse or waste of public money incurred, which also applied to the funding for the eBRAM Centre.

Reciprocal recognition and enforcement of judgments in civil and commercial matters between Hong Kong and the Mainland

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44. Noting that the Mainland Judgments (Reciprocal Enforcement) Ordinance (Cap. 597) had come into effect in 2008 and the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region ("the Arrangement"), the sixth arrangement with the Mainland on mutual legal assistance in civil and commercial matters, had been signed on 18 January 2019, <u>Dr Junius HO</u> requested the Administration to provide the number of cases handled by the courts in Hong Kong relating to the

reciprocal recognition and enforcement of civil and commercial judgments between Hong Kong and the Mainland.

- 45. In response, <u>C/IDAR</u> clarified with Dr Junius HO that the latter meant to refer to the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned. <u>C/IDAR</u> explained that DoJ did not have the information requested by Dr Junius HO and would liaise with the Judiciary for such information.
- Administration to obtain the information from the Judiciary Administration as far as practicable. <u>Dr HO</u> stressed that, as the number of cross-border disputes to be handled by Hong Kong practitioners practising in GBA was expected to increase, the figures requested could reflect the effectiveness of the mutual enforcement of judgments between the Mainland and Hong Kong and hence important for the legal profession's reference. <u>C/IDAR</u> undertook to check with the Judiciary Administration to see whether the information was available.

(Post-meeting note: The supplementary information on the annual number of cases was issued to members on 7 April 2021 via LC Paper No. CB(4)721/20-21(01).)

#### V. Any other business

47. There being no other business, the meeting ended at 6:15 pm.

Council Business Division 4
<u>Legislative Council Secretariat</u>
23 August 2021