

## An international dispute resolution centre

Hong Kong is a prime venue for dispute resolution through arbitration and mediation:

- Mature and well-developed legal system and large pool of experienced professionals
- Hong Kong arbitral awards enforceable in over 150 Contracting States to the New York Convention and this is complemented by reciprocal enforcement arrangements with Mainland China and Macao

- Choice of ad hoc and administered arbitration, and of arbitration institutions
- Intellectual property disputes are arbitrable
- The number of dispute resolution cases handled by the Hong Kong International Arbitration Centre (HKIAC), including both arbitration and mediation, reached 532 in 2017; the total disputed amount for all arbitration cases was about US\$5 billion in 2017
- HKIAC ranked first for location, value for money, helpfulness of staff and IT services by the Global Arbitration Review (GAR) Hearing Centres Surveys 2016, 2017 and 2018
- Since 2015, Hong Kong has been among the top 5 preferred seats for arbitration globally according to the International Arbitration Surveys conducted by Queen Mary University of London

- Mediation is one of the means used to resolve investment disputes under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). Both the Hong Kong International Arbitration Centre – Hong Kong Mediation Council and the Mainland – Hong Kong Joint Mediation Center have been designated as the mediation institutions handling disputes between a Mainland investor and Hong Kong. About 40 mediators are to provide relevant mediation services.
- The Department of Justice, together with the International Centre for Settlement of Investment Disputes (ICSID) of the World Bank Group and Asian Academy of International Law, launched a training course on investment law and investment mediation skills in mid-October 2018 in Hong Kong, which was the first in Asia.

# Hong Kong's Legal System



## What people say

### Hong Kong International Arbitration Centre (HKIAC)

Established in 1985, HKIAC is one of the world's leading dispute resolution organisations, specialising in arbitration, mediation, adjudication and domain name disputes resolution.

Matthew Gearing QC (Chairman):

***"Hong Kong is a well-established seat for arbitration conveniently located in the heart of Asia, with a sophisticated legal system and an independent pro-arbitration judiciary."***

### Shearman & Sterling

In Hong Kong since 1978, Shearman & Sterling is a global law firm with over 850 lawyers worldwide.

Nils Eliasson (Partner, International Arbitration):

***"Nowhere else in Asia than Hong Kong offers such unparalleled access to clients throughout the region in a business environment that is equally approachable for Asian and Western enterprises and where the rule of law, independent judiciary and a tried and trusted common law system are part of the city's DNA."***

### Charles Russell Speechlys

Leading law firm

Charles Russell Speechlys opens new Hong Kong office, entering the market in association with Jonathan Mok Legal to offer expert advice to high net worth clients.

Tom Shaw (Partner):

***"Hong Kong's strong synergies with English law, openness to new business entrants and accessibility to a growing number of high net-worth individuals in Asia make the city an ideal fit for Charles Russell Speechlys."***



## Home to global institutions

The conversion of the remaining parts of the former Central Government Offices (CGO) and the former French Mission Building (FMB) is underway to provide a prime location for local, regional and international law-related organisations. Together with offices of the Department of Justice (DoJ) in other parts of the former CGO, the whole area will form a legal hub in the heart of Hong Kong – a poignant and physical reminder of the importance of the legal system to Hong Kong's success past, present and future.

The first 17 law-related organisations will move into new offices at the West Wing of the former CGO and the former FMB, a declared monument built in 1917. Office space is expected to be available starting from around mid-2019.



## Rule of Law – Cornerstone of a safe city in which a law-abiding society flourishes



- The Basic Law preserves Hong Kong's common law system
- Judicial independence is constitutionally protected
- A sound government world-renowned for its efficiency, transparency and zero tolerance for corruption
- Economic freedom and other fundamental rights are constitutionally guaranteed
- Top international rating in many global reports and indexes

### “One Country, Two Legal Systems”

A Special Administrative Region with a high degree of autonomy under “one country, two systems” as implemented by the Basic Law:

- Access to justice under a common law system
- Overseas judges sitting at the apex court with power of final adjudication
- Over 250 multilateral or bilateral agreements entered into by or on behalf of “Hong Kong, China” in fields including economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports
- Both English and Chinese being official languages and all local legislation enacted bilingually with both texts being equally authentic



### World Business Centre

- International financial centre
- A freely convertible currency
- Low and simple tax regime, no sales or capital gains tax
- A separate customs territory with its own immigration control
- Free trade and free movement of goods, intangible assets and capital
- Respect for and effective protection of property (including intellectual property) rights



### Global Legal Hub

- Presence of international bodies which include:
  - ▶ The International Court of Arbitration of the International Chamber of Commerce (ICC-ICA)
  - ▶ China International Economic and Trade Arbitration Commission (CIETAC)
  - ▶ Asia Pacific Regional Office of the Hague Conference on Private International Law (HCCH)
  - ▶ Centre for Effective Dispute Resolution (CEDR) Asia Pacific



- Hearings of investor-state arbitration and disputes between states in Hong Kong facilitated by:
  - ▶ Host Country Agreement between Central People's Government and the Permanent Court of Arbitration (PCA); and
  - ▶ Standing arrangement between the Hong Kong International Arbitration Centre (HKIAC) and the International Centre for Settlement of Investment Disputes (ICSID)



## 5 for a world-class legal system reasons



### High International Ranking

- **World No.4** in the **efficiency** of legal framework in settling disputes (World Economic Forum's Global Competitiveness Report 2018)
- **Asia's No.2 and No.14 globally** in the Worldwide Governance Indicators project of the World Bank Group released in 2018 with data through 2017
  - ▶ Hong Kong has **scored above 90** (out of 100) consistently since 2003 in the aggregate indicator in respect of the **rule of law**;
  - ▶ Hong Kong's percentile rank in respect of rule of law has improved from 69.9 in 1996 to 93.8 in 2017
- **Asia's No.1 and No.3 globally** in the Human Freedom Index 2018 (Cato Institute) by scoring 8.78 (out of 10), with **Integrity of Legal System** scored at 8.3



### Large Pool of Experienced Professionals

Hong Kong's strong legal infrastructure is served by:

- About 9,900 practising solicitors and about 1,500 practising barristers (including about 100 Senior Counsel)
- About 1,500 registered foreign lawyers from over 30 jurisdictions with over 80 registered foreign law firms
- About 2,200 mediators accredited by the Hong Kong Mediation Accreditation Association Limited
- Industry-led legal bodies include: the Hong Kong Bar Association; the Law Society of Hong Kong; Hong Kong International Arbitration Centre; Hong Kong Institute of Arbitrators; Hong Kong Mediation Centre; Hong Kong Mediation Accreditation Association Limited; Asian Academy of International Law; and Hong Kong Insurance Law Association Limited