

Hong Kong's Legal Services
Hong Kong International Arbitration Centre interview

Interviewee: Sarah Grimmer, HKIAC Secretary-General

Sarah Grimmer: HKIAC was set up in 1985. It was really born out of the market in Hong Kong, there was a real need in the business and legal communities for an arbitration centre to help resolve disputes swiftly, economically, and take a bit of pressure off the courts.

There were a lot of disputes arising out of construction work and the maritime industry. So that's how the HKIAC was born, and over the years it has evolved quite a bit. Now we see many more types of disputes, not just construction disputes or maritime disputes, but big commercial disputes involving major shareholder agreements, joint venture disputes and a lot of international trading disputes as well.

What are Hong Kong's main attributes as an arbitration hub in Asia?

Sarah Grimmer: First is that, you need to have good courts. So you need to have an independent judiciary that is supportive of the arbitration process. Hong Kong has a very sophisticated and mature judiciary. It's independent. And when you bring an arbitration-related matter to the court it is put before a specialist judge. And it is treated quickly. The courts are very supportive of the arbitration process in general.

Secondly, legislation. Hong Kong has world-class legislation. It is one of the first jurisdictions in Asia to enact a model law for arbitration in its legislation. And that is a key indicator of a sophisticated jurisdiction. And over the years, Hong Kong has amended its legislation to keep up with international best practice and also to meet the changing needs of the legal and business communities when it comes to arbitration.

What gives Hong Kong's legal system its unique competitive edge?

Sarah Grimmer: In Hong Kong you have a very special arrangement where judges on the Court of Final Appeal in Hong Kong, which is the highest court, and not just from Hong Kong they are also from the highest courts of the United Kingdom, Canada, Australia, New Zealand, so other common law jurisdictions. That is a unique feature of Hong Kong's judicial system, you won't find that anywhere else in the world, and it is one of the guarantees of the independence of Hong Kong's courts.

What are Hong Kong's strategic advantages for dispute resolution?

Sarah Grimmer: One thing that's special about HKIAC is we have the highest number of cases involving Chinese parties and that really reflects the unique status of Hong Kong as the connecting jurisdiction between Chinese parties and foreign parties.

The Belt and Road Initiative is really important for Hong Kong. I think it is going to change the dispute resolution landscape for the next few decades. It really goes back to Hong Kong's status as that connecting jurisdiction.

It's the jurisdiction where Chinese companies feel comfortable signing up to because it is part of China.

On the other hand, foreign parties are content with Hong Kong because it is a common law jurisdiction, it has independent courts, it has the rule of law and it is the gateway to China.

What is coming out of the courts is encouraging, it is progressive, it is always consistently supportive of the arbitration process. So parties can rest assured that if they choose Hong Kong, that is a safe choice.

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