



## THE CHIEF EXECUTIVE'S POLICY ADDRESS 2025

### LAW SOCIETY SUBMISSION

1. The Law Society provides this submission in response to the Government's Consultation on the 2025 Policy Address.
2. In this submission, we set out our views on the following policy matters.

#### **Establishing a Wealth and Asset Management Centre in Hong Kong**

3. Hong Kong's asset and wealth management sector, including family offices, continues to be one of the region's most dynamic growth areas. Our city possesses inherent strengths that position it competitively, such as steadfast free-market policies, a thriving financial market, and a highly favourable tax environment.
4. The Law Society has, in its submission on the 2025-2026 Budget Consultation, recommended the Government to, among other things, allocate sufficient funds to support the development of new economic growth industries and provide tax incentives and preferential treatment for asset management businesses in Hong Kong.
5. Additionally, we further suggest the Government to leverage Hong Kong's unique position as a gateway to the Mainland by enhancing cross-border financial connectivity, particularly through the Greater Bay Area. For example, the Government may consider to expand the Cross-boundary Wealth Management Connect scheme to increase investment quotas and include more diverse products, such as private funds; and promote Hong Kong's stable legal system and international financial standards to Mainland Chinese high-net-worth individuals, who are expected to account for over

50% of wealth inflows by 2026<sup>1</sup>. Hong Kong should develop targeted marketing campaigns highlighting Hong Kong's proximity and cultural alignment with the Mainland, positioning Hong Kong as the preferred hub.

6. The Government together with the relevant stakeholders could launch global campaigns to promote Hong Kong's advantages, emphasizing our bilingual legal system, robust capital markets, and proximity to the Mainland. For example, Hong Kong should host more high-profile wealth management summits and partner with global financial institutions to showcase Hong Kong's edges in the relevant areas to target emerging markets (e.g., Middle East, Southeast Asia) and to enhance working relationship between the stakeholders in those markets to facilitate cross-border wealth flows.
7. Consideration should also be given to enhance Hong Kong's regulatory framework in this area, including the charity laws, which are essential for fostering family philanthropy – a key component of family office practices.
8. We also encourage the Government to strengthen its collaboration with local and international stakeholders in asset and wealth management business. The Law Society is ready to contribute our expertise to support these efforts and the city's continued growth in professional services.

### **Strengthening the Position of Hong Kong as an International Intellectual Property Trading Centre**

9. To fulfil the intellectual property ("IP") objectives outlined in the 14th Five-Year Plan, Hong Kong must accelerate efforts to develop a robust and dynamic IP ecosystem. Critical gaps in valuation, financing, and risk management must be addressed without delay.

#### **Valuation**

10. A key barrier to IP commercialisation lies in the lack of standardised valuation methodologies and a nuanced understanding of different types of IP assets. This makes it difficult for investors and financiers to accurately assess IP value, leading to

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<sup>1</sup> PwC. (2024). "Global Wealth Management Report: Asia Focus."

hesitation in making related commercial and financial decisions. Since 2022, Singapore has positioned itself as a global hub for credible and trusted intangible asset and IP valuation under its IP Strategy 2030, working closely with the International Valuation Standards Council and fostering the growth of its valuation industry. Hong Kong must act swiftly to avoid falling behind—and ideally, to lead.

#### Financing (Collateralisation, Securitisation and Tokenisation)

11. Financial institutions remain cautious about accepting IP assets as collateral due to concerns over liquidity, enforcement challenges, and valuation uncertainty. To address this, the Government should consider working with financial institutions and offering partial guarantees to incentivise establishing pilot cases. On a higher level, securitising high-value IP assets offers a powerful avenue for monetisation and has gained momentum in jurisdictions such as Singapore and Mainland China, including Shenzhen and Shanghai. This requires careful regulatory planning and safeguards to ensure liquidity and investor protection.
12. Additionally, we recommend establishing a voluntary copyright registration system in Hong Kong to facilitate copyright trading and collateralisation. In this relation, enhancing the transparency and functionality of IP registries will also help interested parties in giving notice and verifying encumbrances which is essential for IP-backed financing. The Government should also look into facilitating the tokenisation of IP assets using blockchain technology to enhance trading through increased accessibility, transparency, security and efficiency.

#### Insurance

13. The risks of IP infringement and litigation pose significant threats to commercialisation. Developing specialised insurance products that cover liability, enforcement, and legal costs can help mitigate these risks and encourage greater investment in IP assets.

#### Dispute Resolution

14. We must continue our efforts to promote Hong Kong as a preferred forum for resolving IP disputes, including mediation, arbitration and litigation.

## Education

15. It is only with a better understanding of the characteristics, value and commercial potentials of different IP assets that we can establish and promote good IP management and commercialisation. We advocate incorporating general knowledge about IP in our university syllabus.
16. We urge the Government to collaborate with regulators, financial and insurance institutions, educational institutions, IP owners, valuers, accountants, and legal professionals to develop an ambitious yet practical roadmap for achieving Hong Kong's IP aspirations.

## **Positioning Hong Kong as an International Centre for the Sports and Esports Industries**

17. The Law Society in its submission on the Policy Address 2024 comprised a Paper on Sports Law Development for Hong Kong ("Proposal Paper") to the Government. The Proposal Paper set out, among other things, a proposal to set up a "Sports Law Office" to provide coordination on the work in promoting and developing sports law in Hong Kong, including both contentious and non-contentious matters. The Proposal Paper<sup>2</sup> provided, among other things, the following:

*"52. We propose to set up a "Sports Law Office" (the "Office") to implement the above various initiatives. We have noted in paragraph 3 above that, while the name of this body is to be further deliberated, the name itself does not carry any suggestion on the strength, the establishment, the positioning of the body, and whether that body is or is not within the hierarchy of the Government.*

*53. The setting up of the Office is central to the implementation of the initiatives being put forward. The initiatives outlined in the above are related to one another. A central body is therefore important and is key to the coordination, planning and implementation of policy initiatives,*

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<sup>2</sup> The Proposal Paper is available on the Law Society's website at: [https://www.hklawsoc.org.hk/-/media/HKLS/pub\\_e/news/submissions/20240923.pdf?rev=e9284ee16b8044f4a396a3dd9825c4e5&hash=8DAB56D973B7F17588FD97E51ADB1B47](https://www.hklawsoc.org.hk/-/media/HKLS/pub_e/news/submissions/20240923.pdf?rev=e9284ee16b8044f4a396a3dd9825c4e5&hash=8DAB56D973B7F17588FD97E51ADB1B47)

*and also to the initiating of discussions, appraisals and improvements thereto.”*

18. Whilst we are pleased to note that the Government has set up the Advisory Committee on Sports Dispute Resolution to advise the Government on the design, setting up and implementation of the Pilot Scheme on Sports Dispute Resolution, we invite the Government to consider establishing a “Sports Law Office” in Hong Kong to coordinate the work and to leverage the efforts of the relevant bureaux and departments and stakeholders in the promotion and development of non-contentious matters for sports in Hong Kong, such as sponsorship contracts, IP rights, media and licensing rights, and environmental, social, and governance (“ESG”) for sports organisations, etc.
19. We consider that the development of the non-contentious side of sports law will not only benefit the sports sector alone but also will benefit the whole society of Hong Kong through economic development in both domestic and international contexts. The Law Society is ready for in-depth deliberation on the development of sports law and the proposed “Sports Law Office” with the Government.

### **Making Hong Kong an International Training Centre on Common Law**

20. The Law Society also set out briefly the following policy dimensions, which we ask to be taken into account in the consideration and formulation of policy on legal education and training. In our views, the relevant policies should aim:
  - (i) to leverage on Hong Kong’s strengths as the only jurisdiction adopting a Chinese-English bilingual common law system, to speed-up enhancing the synergies between the legal systems, legal services (and even the economies) of Hong Kong and the Mainland, as well as to facilitate constructive exchanges with other non-common law jurisdictions (including countries of the Belt and Road Initiative).
  - (ii) to maintain a supportive environment for education and training for legal practitioners (in view of the evolving legal and economic landscapes and technologies) and cultivate legal talents with sustainability and professionalism.

## **Fortifying Hong Kong as an International Legal and Dispute Resolution Centre**

21. With the staunch support from the Central People's Government, Hong Kong has positioned itself as a regional centre for international legal and dispute resolution services. Hong Kong's commitment to enhancing its legal and dispute resolution services is evident in various policy initiatives of the Government and the recent developments in legal services and dispute resolution in Hong Kong.

### **Legal Services**

#### *Improving the Mechanism for Mutual Service of Judicial Documents in Civil and Commercial Proceedings between the Mainland and Hong Kong*

22. Since the commencement of the Arrangement for Mutual Service of Judicial Documents in Civil and Commercial Proceedings between the Mainland and Hong Kong Courts ("Service Arrangement") in 1999, economic and trade co-operation between the Mainland and Hong Kong has significantly intensified. It has precipitated a marked rise in cross-border disputes and a concurrent increase in requests for mutual service of judicial documents. The cases predominantly involve family matters, inheritance disputes, bankruptcy, and contractual disputes, with a recent uptick in IP cases.
23. In recent years, considerable difficulties have emerged in effecting the service of documents between the two jurisdictions, such as excessive delays and incidents of fraud resulting from unclear or incomplete addresses or untraceable recipients.
24. The Law Society urges the Government to collaborate proactively with relevant authorities and stakeholders to enhance the effectiveness and efficiency of the Service Arrangement as a matter of urgency, thereby safeguarding access to justice and preserving the integrity of judicial processes.

#### *Integrated Court Case Management System platform*

25. Hong Kong's distinguished common law legal framework and the Judiciary's esteemed reputation make the city the preferred forum for resolving commercial disputes.
26. To uphold an independent, effective, and efficient judiciary enforcing the rule of law, the Government should allocate sufficient resources, particularly to ensure the courts have access to cutting-edge technology.

27. The Law Society proposed in the 2025-2026 Budget consultation that the Government increase funding to upgrade the Judiciary's integrated Court Case Management System, introducing an e-service module alongside the existing e-filing capability.
28. We believe this enhancement would significantly streamline legal processes, improve accessibility, and reduce administrative burdens. Moreover, implementing voice-to-text technology for official transcripts would significantly shorten hearing times and enhance precision, thereby supporting more expeditious proceedings.
29. Given the increasing referral of international commercial cases to Hong Kong for dispute resolution under various Mainland initiatives, such as the Belt and Road Initiative, Hong Kong must continually modernise its judicial system and services to bolster investor confidence and drive commercial growth. An efficient and technologically advanced judicial system – including reliable remote access to court services – will enhance Hong Kong's appeal to global investors, support commercial development, and reinforce our status as a premier international financial centre.

## Dispute Resolution

### *Specific Comments on Arbitration*

30. The recent extension of the measures of “allowing Hong Kong-invested enterprises to adopt Hong Kong law” (港資港法) and “allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong” (港資港仲裁) under the “Second Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement Agreement on Trade in Services” enabled Hong Kong-invested enterprises, including those enterprises wholly or partially owned by foreign investors<sup>3</sup>, established respectively in Shenzhen and Zhuhai and the nine municipalities in the Greater Bay Area to adopt Hong Kong law as the applicable law for their contracts and/or choose for arbitration to be seated in Hong Kong.
31. We welcome the above extension, which will not only provide more business opportunities to the legal and dispute resolution professions in Hong Kong but also will reinforce and enhance the status of Hong Kong as a “Super-connector” and “Super-

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<sup>3</sup> “Official Reply on the Issues concerning the Validity of the Adoption of Hong Kong or Macao Law as the Applicable Law of Contracts or the Designation of Hong Kong or Macao as the Seat of Arbitration by Hong Kong or Macao-Invested Enterprises Registered in the Mainland Part of the Guangdong-Hong Kong-Macao Greater Bay Area”.

value adder” between the Mainland and the global markets. To further enhance the effect of the above measures, we encourage the Government to continue to discuss with the Central People’s Government for further extension on the application of the above measures to all major economic municipalities in the Mainland under the Belt and Road Initiative in order to promote the legal and dispute resolution services of Hong Kong for international and foreign-related business activities and transactions under the Belt and Road Initiative.

32. Moreover, we are also pleased to note that Hong Kong has ranked the 2<sup>nd</sup> most preferred seat of arbitration globally<sup>4</sup> in the 2025 International Arbitration Survey conducted by Queen Mary University of London in collaboration with White & Case. Whilst we praise the Government for its continuous efforts in the promotion of Hong Kong as a regional centre for international arbitration services, we considered that there are certain features of preferred seat of arbitration that the Government may wish to put in place or enhance in Hong Kong, including adequate investment in legal infrastructure; and promotion on the use of technologies in legal and arbitration practice, such as artificial intelligence. We believe that continuous investment and improvement in the above areas will further enhance the status of Hong Kong as a regional centre for international arbitration services.
33. Furthermore, Hong Kong should continue to promote and enhance its edges in arbitration and other dispute resolution services for our existing priority industries, e.g. maritime industry. The Government shall proactively collaborate with the major stakeholders in Hong Kong to promote Hong Kong as a desirable place for arbitration and dispute resolution services for its priority industries. For example, the Government should take lead and join force with the stakeholders of the maritime sector to identify and promote to targeted industry groups (e.g. state-owned enterprises, Chinese shipyards) in both Hong Kong and the Greater Bay Area to encourage them to use standard contract clauses which designate Hong Kong as the seat of maritime arbitration.

#### *Specific Comments on Mediation*

34. On mediation, the establishment of the International Organization for Mediation (“IOMed”) and its headquarters in Hong Kong will doubtlessly enhance the status of Hong Kong as a regional centre for international mediation services. In pursuance of

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<sup>4</sup> The five most preferred seats for arbitration across the full respondent pool are London (34%), Hong Kong (31%), Singapore (31%), Beijing (20%) and Paris (19%).



the Convention of the Establishment of the International Organization for Mediation (“Convention”), the IOMed will enlist qualified mediators from the Contracting States of the Convention and the Governing Council of IOMed<sup>5</sup> to provide mediation services for different cases under the IOMed.

35. We note that many mediation practitioners in Hong Kong are interested in offering their professional services under the IOMed, and therefore, we invite the Government to explore and secure opportunities and places for the mediation practitioners in Hong Kong to participate in the operation and services of the IOMed to enable them to make contributions to the promotion and development of the IOMed.

#### *General Suggestions on Legal and Dispute Resolution Services*

36. In addition to the above specific comments, we consider that Hong Kong should continue to explore new opportunities in providing legal and dispute resolution services for various fast-emerging economic industries, including but not limited to, sports and esports, IP rights, wealth and asset management, data economy and e-finance, and ESG, etc.

37. We set out our suggestions below:

- (a) Maintaining the existing strengths of Hong Kong

Hong Kong shall continue to reinforce and enhance its unique strengths as a leading centre for legal and dispute resolution services in the Asia Pacific region, including its open-door policy of legal and dispute resolution talent and the policy on free flow of capital and information for international legal and dispute resolution services.

- (b) Review and update the law relating to the relevant economic areas

The Government should undertake a thorough review and update of the existing laws in those fast-emerging economic areas. This includes modernising outdated regulations, aligning local laws with international standards, and addressing emerging legal issues. For example, the Government is suggested to review, and if appropriate, update the law and regulations governing e-commerce to address the rise of e-commerce platforms and digital transactions. This may involve

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<sup>5</sup> <https://www.international-mediation.org/scope-of-cases/#medpanqualifications>

revising existing laws to include provisions for consumer protection, data privacy, and cybersecurity in the context of online business activities. Hong Kong shall ensure that its legal framework remains robust, relevant, and conducive to fair and efficient dispute resolution.

(c) Investment in the infrastructure for legal and dispute resolution services

To support the growing demand for legal and dispute resolution services, the Government should invest sufficient resources in the infrastructure for the legal and dispute resolution industries in both online and offline settings. This includes the development of modern court buildings and dispute resolution centres equipped with advanced information and LawTech technologies, comfortable facilities for practitioners and parties, and secure environments for confidential proceedings. Such investments will enhance Hong Kong's appeal as a preferred place for international legal and dispute resolution services, including online dispute resolution.

(d) Review and enhance the existing dispute resolution mechanism

The arbitration and mediation mechanisms in Hong Kong should be continuously reviewed and enhanced to ensure their effectiveness and efficiency. For example, enhancements in the case management system in arbitration and mediation can lead to various advantages, including streamlining processes, reducing delays and, supervising the conduct of the practitioners, etc. A further example in arbitration is tribunal secretary service, which can provide better support to arbitrators, ensuring that cases are handled with the utmost professionalism and expertise, and provide a new career path for the less experienced practitioners.

(e) Organising capacity building programmes

The Government should also invest in comprehensive capacity-building programmes for legal and dispute resolution practitioners. These programmes may provide in-depth trainings in different practice areas, promoting best practices, and encouraging continuous professional development, etc. Moreover, the Government may also consider inviting suitable overseas practitioners to participate in the above programmes for professional exchanges, and most importantly to establish and enhance the status of Hong Kong as an international training centre in legal and dispute resolution services. With a pool of highly

skilled and knowledgeable legal and dispute resolution professionals, Hong Kong can maintain its reputation for excellence in legal and dispute resolution services.

(f) Promotion of Hong Kong's legal and dispute resolution services

Continuous promotion of Hong Kong's legal and dispute resolution services on the international stage is crucial. The Government provide adequate support and resources to the legal and dispute resolution sectors to organise more international arbitration events (e.g. ICCA Congress) in Hong Kong, showcasing the city's capabilities and expertise. On the other hand, the Government may also be organising more duty visits to overseas countries and regions to establish and strengthen relationships with key public and private stakeholders overseas, attracting more international legal and dispute resolution arbitration cases to Hong Kong.

**Concluding remarks**

38. It is of utmost importance that our law and legal policy can satisfy the latest socio-economic needs and support a friendly environment for business and economic development in Hong Kong. We believe that the policy initiatives as set out in this submission help the Government in formulating legal policies and driving legislative reforms, with a view to providing Hong Kong with one of the best legal environments for the future.

**The Law Society of Hong Kong**

**19 August 2025**