

Arbitration in Hong Kong

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Hong Kong is widely recognised as a leading centre for international dispute resolution services. With the promulgation of the "Outline Development Plan of the Guangdong-Hong Kong-Macao Greater Bay Area" in February 2019, together with the Belt and Road Initiative, Hong Kong continues to excel in the provision of quality, effective and convenient arbitration and dispute resolution services.

The HKSAR Government attaches utmost importance to the promotion of Hong Kong as a regional capacity building centre for international law and dispute resolution. Use of arbitration in dispute resolution receives continual support from the government, the judiciary, the business sector and the profession.

Use of Arbitration

Arbitration is a consensual dispute resolution process commonly used to resolve commercial and investment disputes.

It is conducted in a private and confidential manner.

Confidentiality in arbitration is particularly relevant for businesses, as that could help protect trade secrets and avoid losses due to disclosure of sensitive and valuable trade information, in the course of arguments.

Arbitration provides flexibility to the parties as the parties could customise the arbitration proceedings to satisfy their needs and interests.

The award made by an arbitrator brings finality to the disputes. The award itself is usually final and binding. In addition, it is enforceable as a judgment in Hong Kong.

Furthermore, through an international convention, more than 150 convention parties will generally recognise and enforce an arbitration award made in Hong Kong

Advantages of Arbitration

The advantages of arbitration include the following:

- Confidential Confidentiality of arbitral proceedings and awards (subject to exceptions);
- Party Autonomy Choice of which disputes are to be arbitrated, what remedies to be awarded;
- Flexibility Design a process that suits the particular dispute;
- Finality Generally speaking, awards are final and binding on parties;
- Interim measures the HKSAR and Mainland in April 2019 signed an arrangement on interim measures in aid of arbitral proceedings. Generally speaking, this Arrangement entitles a party to arbitral proceedings seated in Hong Kong to apply to the relevant Mainland Chinese courts for interim measures in relation to the arbitral proceedings;
- Enforceability Awards rendered in a Hong Kong seated arbitration are enforceable in many jurisdictions under established mechanisms;
- Specialists Solicitor-Arbitrators offer extensive legal insight and subject matter experience; and
- Professionalism As members of the Law Society, Solicitors-Arbitrators bring high standards of ethical and professional conduct to the proceedings.

Arbitration Agreement

If you intend to engage arbitration to resolve your disputes, you need to first enter into a written arbitration agreement. An arbitration agreement is an important document. It sets out the parties' consent to arbitration, the chosen seat or place of the arbitration and the arbitration rules.

The information contained in this leaflet is for reference only. It should not be regarded as legal advice for any individual cases. If you have any queries, please consult a solicitor.

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THE LAW SOCIETY OF HONG KONG

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Sample Clause

The Law Society provides a Sample Arbitration Clause to assist the preparation of the arbitration agreement. You should nevertheless consider seeking legal advice when drafting the arbitration agreement.

The Sample Clause is as follows:

"Any dispute or difference, whether contractual or noncontractual, arising out of or in connection with this contract, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the UNCITRAL Arbitration Rules in force when the notice of arbitration is received by the other party or parties, which rules are deemed to be incorporated by reference in this clause.

The governing law of this arbitration clause shall be the law of Hong Kong and the seat of arbitration shall be Hong Kong.

The appointing authority shall be The Law Society of Hong Kong.

The number of arbitrators shall be one; unless otherwise agreed by the parties in writing. The arbitration proceedings shall be conducted in [insert language]."

Panel of Arbitrators

The Law Society maintains a Panel of Arbitrators. The arbitrators on this Panel are solicitors who have relevant experience in arbitration. Each of them has met the stringent empanelling requirements set by the Law Society. Some arbitrators on the Panel have rich experience and expertise in particular areas, such as partnership disputes, financing, international trade and investment, infrastructure, maritime matters and intellectual property. These technical skills and legal knowledge are particularly relevant and helpful in resolving disputes in an efficient, effective and economical manner.

Parties to an arbitration may request the Law Society to help in the appointment of arbitrator(s) for their cases. Appointment of arbitrator by the Law Society will be conducted in accordance to the Procedure for Appointment of Arbitrators. Any appointment made by the Law Society is final and is not subject to appeal or challenge.

Further Assistance

The Procedure for Appointment of Arbitrators and the Panel of Arbitrators can easily be found on the website of the Law Society.

This information leaflet only provides a brief overview. If you have queries on the above, please email us at arbitration@hklawsoc.org.hk.

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