



**AALCO HONG KONG
REGIONAL ARBITRATION CENTRE**
亞非法協香港區域仲裁中心

Peace and Prosperity on the Belt and Road

International Summit 2023

in celebration of the 10th Anniversary of the Belt and Road Initiative



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Peace will lead to prosperity

Let's proactively and systematically prevent & resolve disputes!

Peace will lead to prosperity



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- Together we build
- Together we serve
- Systemic improvements, not only on case-by-case basis
- Uniqueness of AALCO

Bandung Conference 1955 – 10 Principles

1. Respect for fundamental human rights and for the purposes and principles of the charter of the United Nations
2. Respect for the sovereignty and territorial integrity of all nations
3. Recognition of the equality of all races and of the equality of all nations large and small
4. Abstention from intervention or interference in the internal affairs of another country
5. Respect for the right of each nation to defend itself, singly or collectively, in conformity with the charter of the United Nations
6. (a) Abstention from the use of arrangements of collective defence to serve any particular interests of the big powers
(b) Abstention by any country from exerting pressures on other countries

Bandung Conference 1955 – 10 Principles

7. Refraining from acts or threats of aggression or the use of force against the territorial integrity or political independence of any country
8. Settlement of all international disputes by peaceful means, such as negotiation, conciliation, arbitration or judicial settlement as well as other peaceful means of the parties own choice, in conformity with the charter of the United Nations
9. Promotion of mutual interests and cooperation
10. Respect for justice and international obligations



Picture: China Daily

Mediation for State-to-State Dispute



- **Grand Ethiopian Renaissance Dam Dispute**
 - **Ethiopia** commenced construction of the dam on the Blue Nile in 2011
 - **Egypt and Sudan**, which depends heavily on the Nile waters for household and commercial uses, sees the dam as a threat to the water security.
 - “**Declaration of Principles**” was signed in 2015 to allow the construction
 - **U.N.** council urges Egypt, Ethiopia, Sudan to restart talks
 - Egypt, Ethiopia and Sudan seek GERD mediation
 - Resumed talk in August 2023 and started the **second round of negotiations**

Mediation for State-to-State Dispute

- Timor Sea Conciliation

- Dispute between Australia and Timor-Leste over the nautical mile of the Timor Sea.
- On 6 March 2018, the parties signed the Treaty on the **Timor Sea Maritime Boundary** under the compulsory conciliation procedure of UNCLOS.
- The **first instance** of conciliation under UNCLOS.
- The conciliation led to the successful settlement of the long-standing deadlock between the parties, **which had not been settled by negotiation, litigation or arbitration.**



Picture: PCA-CAP

Mediation for State-to-State Dispute

The Indus Waters Treaty 1960



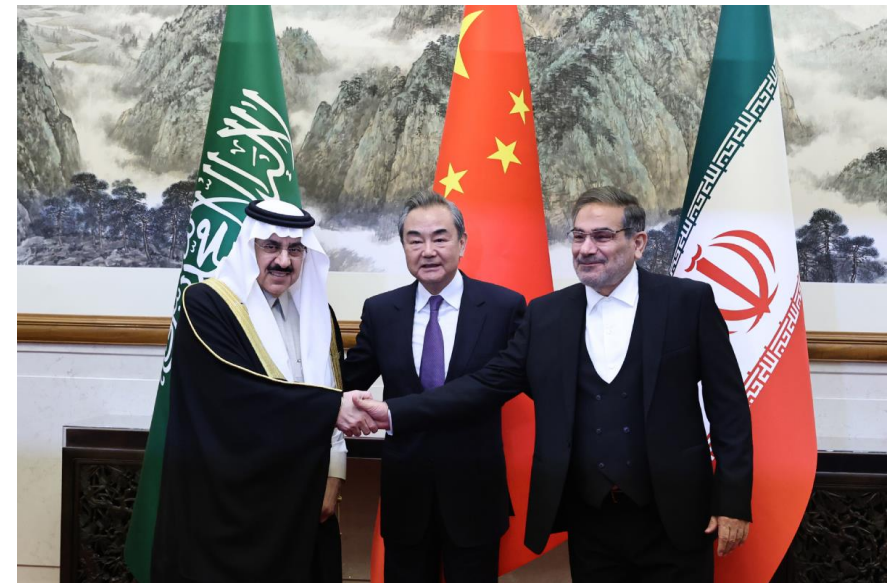
Picture: World Bank

- Following the 1947 partition of India, the Indus Basin river system was divided between the Dominion of Pakistan and the Union of India.
- **World Bank** President approached the leaders of **India and Pakistan** with the offer of mediation and other services.
- Over the next eight years, negotiations focused on the **division of current water use, the implementation of the agreed upon division, and the provision for new developmental uses.**
- The incredibly involved and technical negotiations resulted in the Indus Waters Treaty, signed on September 19, 1960.

Mediation for State-to-State Dispute

- Iran-Saudi Arabia Relationship

- In March, Iran and Saudi Arabia agreed to **end their diplomatic rift and reopen diplomatic missions in a significant deal facilitated by China.**
- President Xi **personally persuaded the leaders of the two countries** and supported Saudi and Iran to develop a friendly relationship as neighbours.
- **China's impartial stance** and its business ties with countries in the region had helped **build trust**
 - Wang Di, director of the foreign ministry's Department of West Asian and North African Affairs: "China will continue to be a fair mediator in other flash points in the region, to contribute China's wisdom, to offer China's proposals and to make China's contribution."



Picture: China Daily

Mediation for State-to-State Dispute

- Peace cannot be built on unfairness
 - Unfair “treaties”, occupation and illegal interference
 - Territorial disputes in the South China Sea
 - The Hague Tribunal, not an ideal place for dispute
 - China has said it will not accept a ruling against it as the decision of the Tribunal is **unfair and illegal**
 - It violated the **principle of state consent**, went beyond its authority to hear the case and perverted law
 - China’s “territorial sovereignty and marine rights” in the seas would not be affected by the ruling



AALCO's Involvement in Promoting Peace

- AALCO played a very important role in facilitating effective Asian-African participation in the international negotiations.
 - **Law of the Sea**, was taken up for consideration by AALCO at the initiative of the Government of Indonesia in 1970.
 - New concepts such as the **Exclusive Economic Zone**, **Archipelago States** and **Rights of Land Locked States** were developed and deliberated upon in AALCO's Annual Sessions. These concepts were later codified in the UNCLOS.
 - As of 3 May 2023, 168 States are parties to the UNCLOS, **42** AALCO Member States figure in that list.



**THE LAW
OF THE SEA**



AALCO's Involvement in Promoting Peace

- with a role and voice in the United Nations



One Country, Two System

- Has been universally recognized as a **great success**, as it allows the city to maintain overall prosperity and stability despite dogged external interference and internal disruption by separatist forces.
- If two systems can be operated within one country, then they **should also be able to be operated worldwide**.





中華人民共和國香港特別行政區
Hong Kong Special Administrative Region
of the People's Republic of China

Peace within the Country

- National Security

- Consolidate and enhance integrated national strategies and strategic capabilities.
- **The Five-Sphere Integrated Plan:**
 - to promote coordinated economic, political, cultural, social, and ecological advancement.
- **The Four-Pronged Comprehensive Strategy:**
 - to make comprehensive moves to build a modern socialist country, deepen reform, advance law-based governance, and strengthen Party self-governance.

國家安全法 National Security Law

保一國兩制 還香港穩定
Preserve One Country, Two Systems
Restore Stability



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What If Mediation Fails?

We are here to empower and serve you!



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Many advantages:

- Country Neutral Role
- Rule of Law
- Deep Bench of Professionals
- Prime location in CBD for you to use
- Rich Network of Suppliers, Investors and Customers
- Take advantage of ORFSA
- Favourable IP arbitration laws
- Opportunities of BRI, Greater Bay Area and RCEP
- Benefits of New York Convention
- LegalTech Development and ODR



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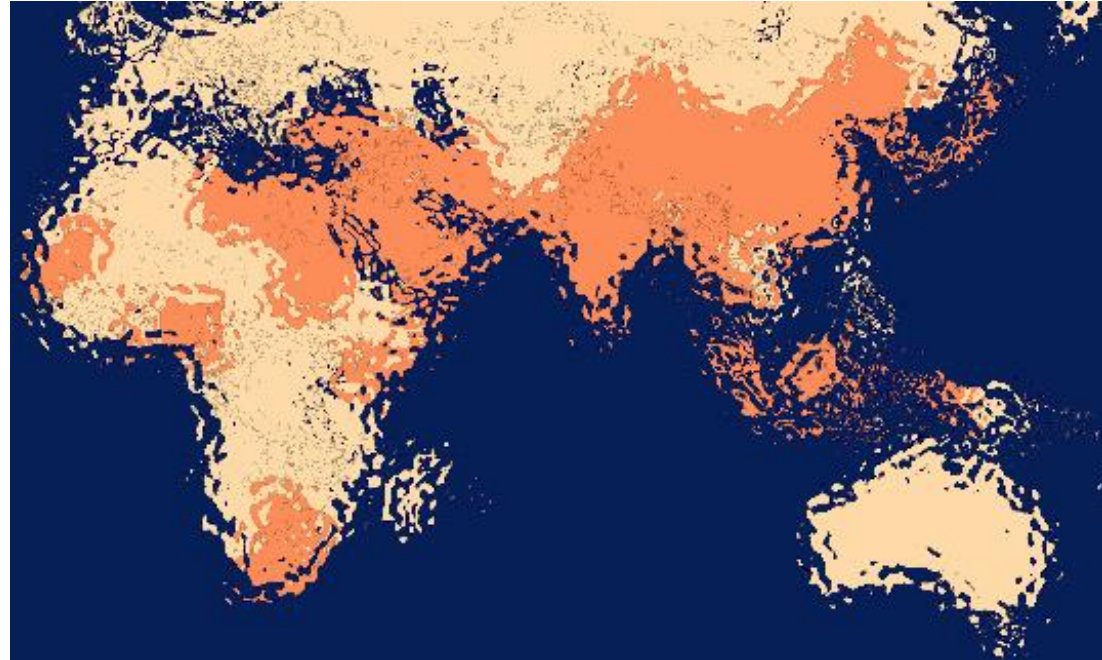
Member States of AALCO

AALCO has **47** Member Countries

2/3 of the world's population

Combined GDPs exceeding **US\$36.57 trillion**

Almost 90% of AALCO members countries are **active members of the BRI**



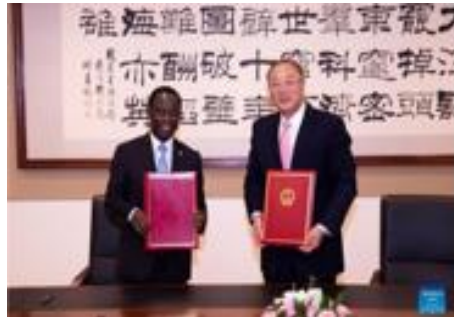
Arab Republic of Egypt; Bahrain; Bangladesh; Brunei Darussalam; Cameroon; Cyprus; Democratic People's Republic of Korea; The Gambia; Ghana; India; Indonesia; Iraq; Islamic Republic of Iran; Japan; Jordan; Kenya; Kuwait; Lebanon; Libya; Malaysia; Mauritius; Mongolia; Myanmar; Nepal; Nigeria; Oman; Pakistan; People's Republic of China; Qatar; Republic of Korea; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; South Africa, Sri Lanka; State of Palestine; Republic of Philippines; Sudan; Syria; Tanzania; Thailand; Turkey; Uganda; Socialist Republic of Vietnam and Republic of Yemen.



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Scope

- Business to Business Dispute
- Business to Customers Dispute
- State to State Dispute
- Investors to State Dispute
- New forms of disputes!



Why AALCO-HKRAC

International
organization—
Nationality Neutral

Established on top of
New York
Convention

State-of-the-art
ODR Platform

Expertise in
disputes with
Asian and African
elements

Efficient and cost-
effective ODR
procedures

Being part of the
AALCO dispute
resolution system

Hong Kong as springboard to BRI opportunities

One Country, Two system & Common Law Jurisdiction

One of the most-preferred seats in the world

Advanced legislative framework for arbitration

Independent and pro-arbitration judiciary comprised of local and international judges

Access to enforcement of arbitral interim measures in Mainland Chinese courts

Free choice of legal representation and arbitrators

World-class multilingual legal and industry professionals

Strong expertise in arbitrating disputes with Chinese elements

Global enforceability of Hong Kong awards

Convenient location with a visa-free scheme for eligible arbitration participants

Strong Technology support to arbitration

The Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland of the Hong Kong Special Administrative Region

Effective from 1 October 2019

Parties to the arbitration administered by recognised arbitration institutions in HK, may apply to Mainland China people's court for enforcement of arbitral interim measures.

For purposes of the preservation of property, evidence, and conduct

Arbitration Arrangements with the Mainland

Hong Kong enjoys a strong and unique competitive edge with our arbitration-related arrangements signed with the Mainland

The 1999 **Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the HKSAR** provides for a mechanism on reciprocal recognition and enforcement of arbitral awards

The 2020 **Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the HKSAR** further refines the Enforcement Arrangement in line with the practice of international arbitration

The 2019 **Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the HKSAR** enables parties to arbitral proceedings seated in Hong Kong administered by designated arbitral institutions to apply to the Mainland courts for interim measures before the arbitral award is made, including property preservation, evidence preservation and conduct preservation

AALCO-HKRAC Online Arbitration Platform



Welcome to AALCO Hong Kong Regional Arbitration Centre Online Arbitration Platform

To resolve disputes by arbitration in accordance with the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules in force as of May 2022.

Sign in

Sign in with your existing account

Email address

Verification Code

Send verification code

Password

Accept cookie policy

Sign in

Reset

New user? [Register a new account](#)

Forgot password? [Reset your password](#)



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Model Arbitration Clause

“Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the **AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules.”**

[There are also optional additional language offered for users to express their preference.]

Parties using the model clause could also consider adding:

- a) The number of arbitrators shall be [one/three].
- b) The place of arbitration shall be Hong Kong.
- c) The applicable law of the arbitration agreement and of the procedure for the arbitration conducted under the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules shall be the laws of the Hong Kong SAR.
- d) The language used in the arbitration under the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules shall be [English/Arabic/Chinese/such language as the Parties agree].
- e) The parties agree that the arbitral tribunal may decide to conduct the hearings via physical and/or online meetings, rather than defaulting entirely to online video hearing platform under Article 28.1 of the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules. The relevant rules, in particular, Article 28.5, only applies if there is any online hearings and to the extent of such online hearings.
- f) The parties hereby waive their right to any form of recourse against an award to any court or other competent authority, insofar as such waiver can validly be made under the applicable law.



Security/confidentiality

- Selection of **right video conferencing tool is vital**. None of the VC tools on the market today are customized for dispute resolution.
- **Data encryption** for audio and video recording
- **Restricted access** to only invited individuals and track down intruders if any
- Access to e-bundles through **secured access**
- **Multifactor authentication of attendees**, i.e., challenging question, one-time password, face recognition, voice validation, fingerprint verification, etc.

Private VC platform / Private cloud

Provide better security
and user-friendly interface
+ functions customized for
online arbitration

Is it costly to own and
operate?



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