

# Hong Kong Factors and Latest Development of International Arbitration in China —— From the Perspective of SCIA

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Shenzhen Court of International Arbitration (also known as South China International Economic and Trade Arbitration Commission, or Shenzhen Arbitration Commission, formerly known as CIETAC South China Sub-Commission and CIETAC Shenzhen Sub-Commission, hereinafter referred to as "SCIA"), was established in 1983 and was the first arbitration institution established at the provincial and municipal level. Moreover, it was the first arbitration institution in the Guangdong-Hong Kong-Macao region after China's reform and opening up.

## ABOUT SCIA



## OUTLINE

- I** | **Hong Kong Factors of International Arbitration in China**
- II** | **Amendments of Arbitration Rules in the Context of Covid-19**
- III** | **Five Roles Played by the Hong Kong Legal Professionals in SCIA**
- IV** | **Milestone Arbitration Cases of SCIA**



## Hong Kong Factors of International Arbitration in China

- Hong Kong factors in cross-border cooperation
- Hong Kong factors in governance structure
- Hong Kong factors in the panel arbitrators
- Hong Kong factors in the case structure
- Hong Kong factors in the enforcement of arbitral awards
- Hong Kong factors in arbitration rules



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# Hong Kong Factors in Cross-border Cooperation





In 1987, Mr. Michael David Thomas, the then Attorney-General of Hong Kong visited the SCIA.



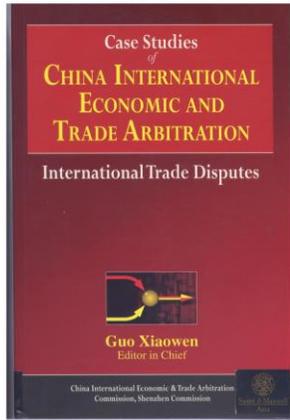
In 1988, Anthony Neoh Q.C., one of the arbitrators from Hong Kong, conducted a hearing in SCIA.



In 1993, Mr. Neil Kaplan, former President of HKIAC, former President of CLArb, and Justice of the Supreme Court of Hong Kong, visited the SCIA.

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The SCIA published the Case Studies of China International Trade Disputes and Case Studies of China International Investment Disputes in both Hong Kong and the United Kingdom before the handover of Hong Kong.

Sir Ti-liang Yang, the then Chief Justice of Hong Kong wrote the preface for the SCIA.



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In 2010, Mr. Wong Yan Lung, Secretary of Justice of Hong Kong SAR, visited the SCIA to discuss cooperation of arbitration between mainland and HK.



In 2012, Mr. Rimsky Yuen Kwok-keung, Secretary of Justice of Hong Kong, visited the SCIA.



In 2016, Mr. Andrew Li Kwok-nang, the former Chief Justice of Hong Kong, visited the SCIA.



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In 2016, the Chairman of Hong Kong Bar Association Ms. Tam Winnie S.C. and the delegation visited SCIA.



On 26 October 2016, Mr. Rimsky Yuen S.C., by then the Secretary for Justice of the Department of Justice of Hong Kong SAR, Mr. Chen Biao, Vice Mayor of Shenzhen Municipal Government attended the Launch of the new SCIA arbitration rules and office warming ceremony.



In 2017, SCIA 2016 Arbitration Rules roadshow was held in Department of Justice of Hong Kong SAR.

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On 2 July 2019, SCIA and HKIAC signed a Closer Cooperation Agreement to deepen collaboration.



Ms. Teresa Cheng S.C., Secretary for Justice of the Department of Justice of HK SAR visited SCIA on 14 May 2021.

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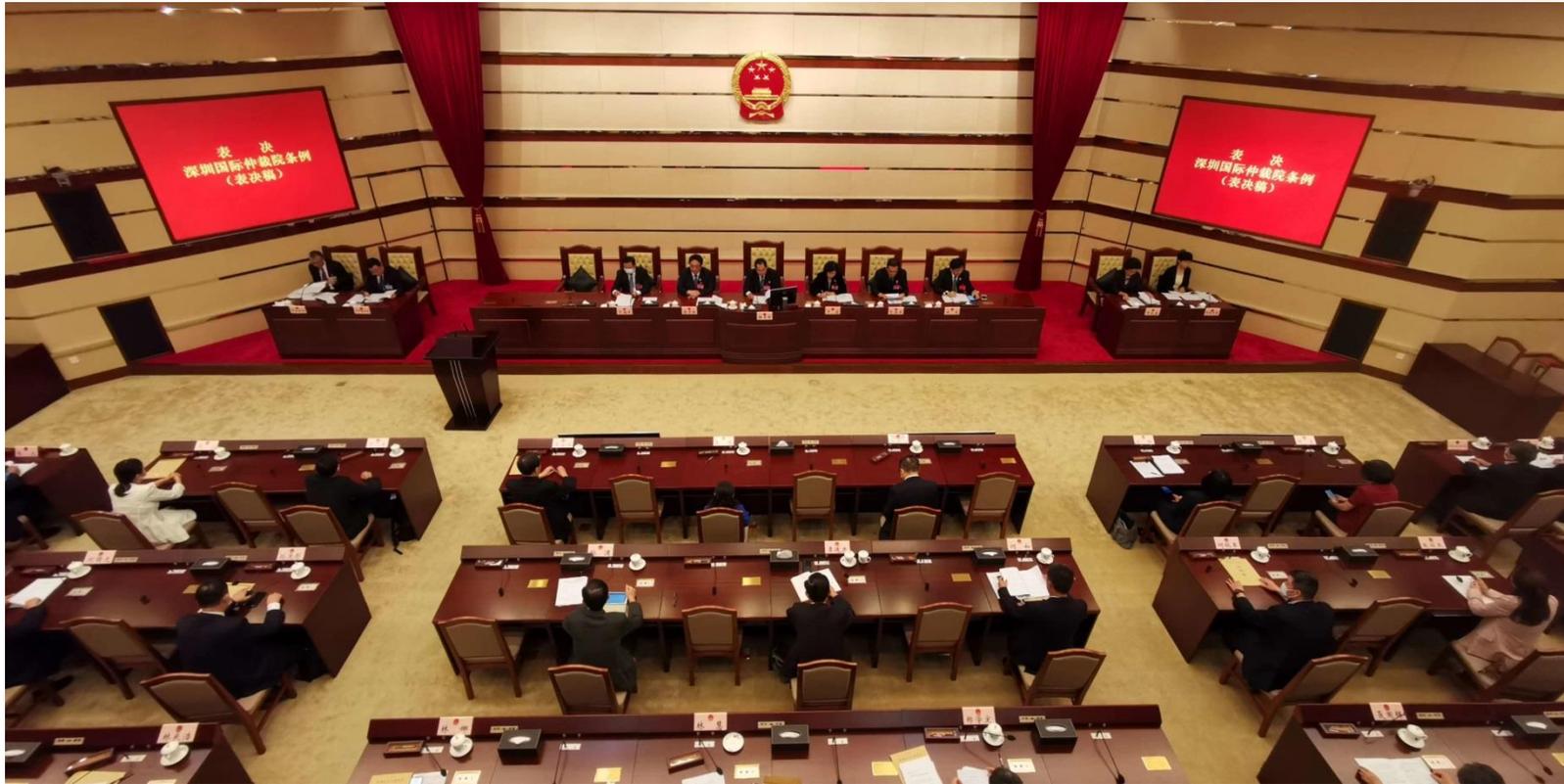
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# Hong Kong Factors in Governance Structure



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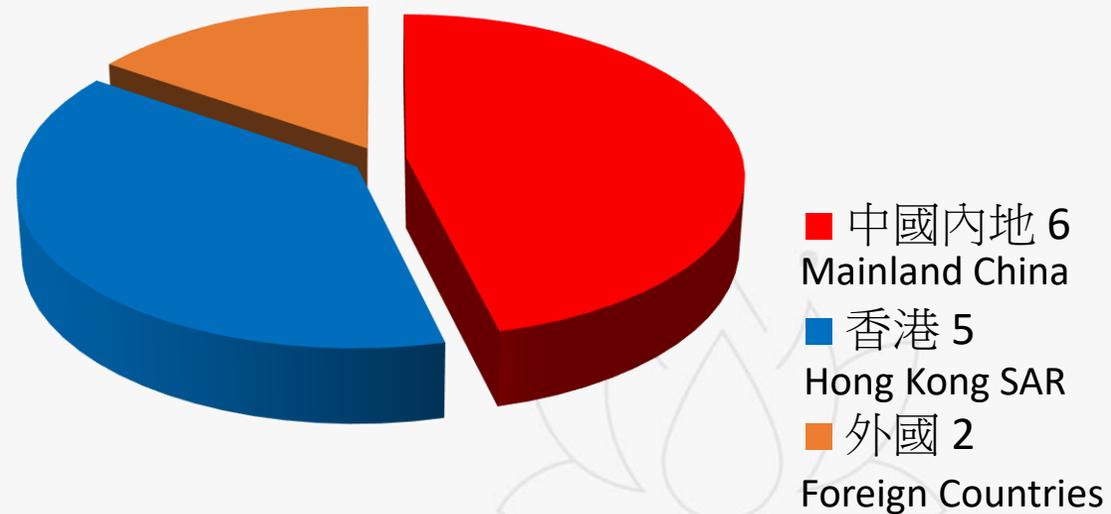
深圳国际仲裁院条例

*Provisions on Shenzhen Court of International Arbitration* was passed by Shenzhen's legislature and became effective on 1 Oct 2020.

## Provisions on Shenzhen Court of International Arbitration

- Article 8 : The SCIA establishes a council as its decision-making body (hereinafter referred to as “the Council”).
- Article 9 : The Council members shall be selected from renowned domestic and international figures in the legal, business, and other relevant sectors. At least one-third of the Council members shall be from Hong Kong SAR, Macao SAR and other overseas jurisdictions.

## Geographic location of SCIA Council Members



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On 17 March 2021, the Second Council of SCIA at its fifteenth meeting, met online via video conference system.

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# Case Study: Settlement of the Largest Arbitration Case in China

Largest arbitration case in China's arbitration history.

- Parties: from China and the U.S.A
- Dispute amount: RMB 13.4 billion
- No arbitration clause beforehand. Since the dispute, parties jointly designed SCIA to resolve the dispute
- Representatives: from five countries and regions.



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## Hong Kong Factors in the Panel Arbitrators



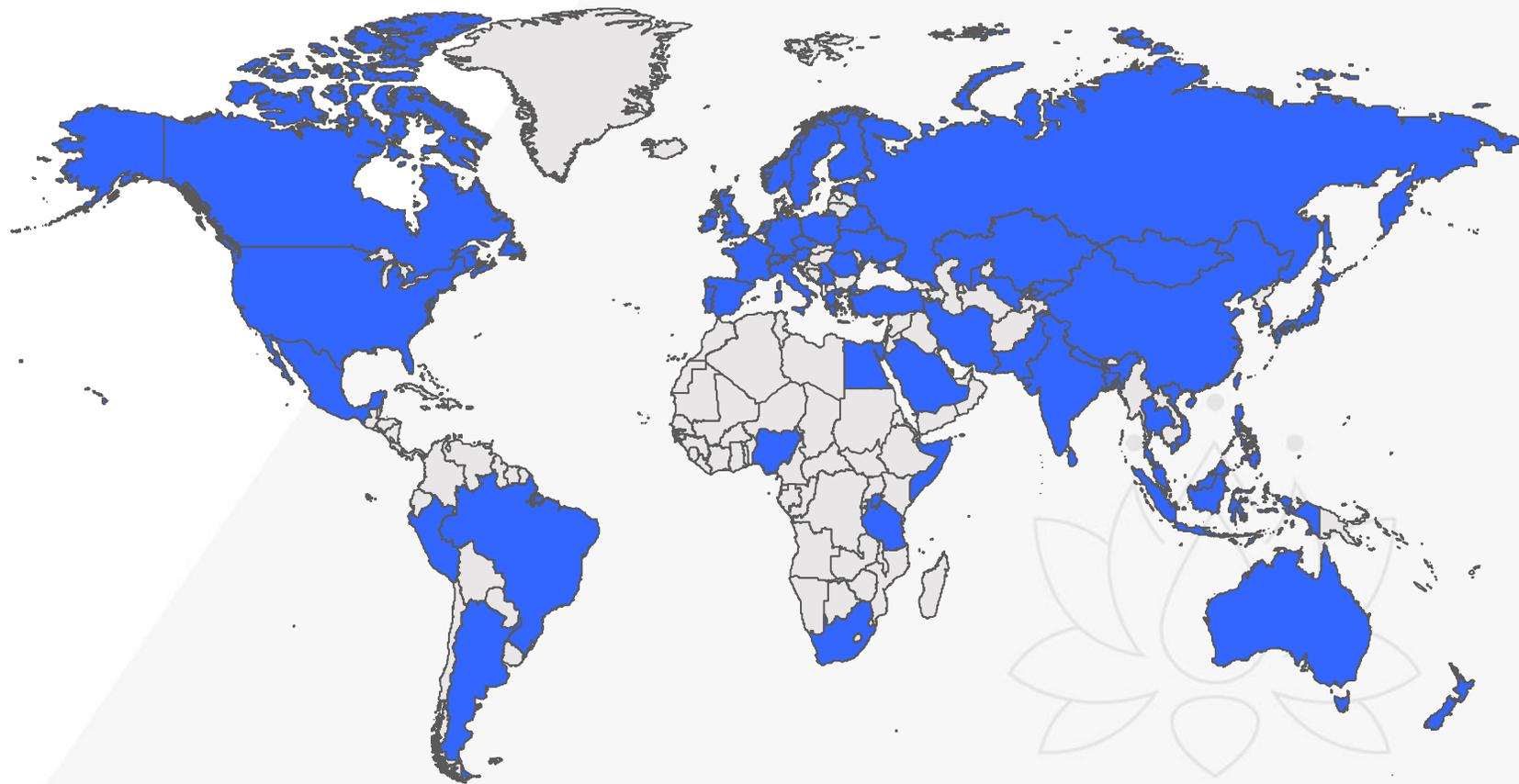
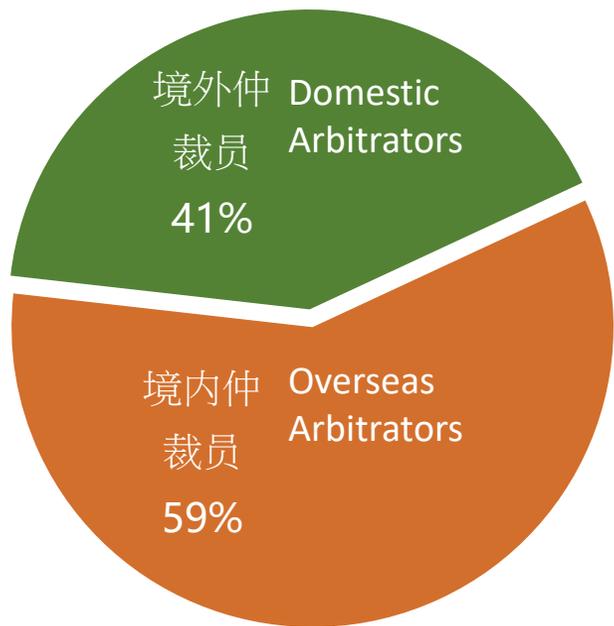
深圳经济特区特邀仲裁委员名单 (按姓氏笔划为序)		LIST OF MEMBERS SPECIALLY INVITED FOR THE SHENZHEN SPECIAL ECONOMIC ZONE	
姓名	专长	NAMES	EXPERTISE
阮北耀	国际私法, 国际经济贸易法 (香港执业律师)		
孙城曾	国际经济贸易		
陈子钧	国际仲裁, 国际私法(香港执业大律师)		
何世柱	国际经济贸易		
郑正训	国际经济贸易		
郭宜兴	国际经济贸易		
彭思梅	国际经济贸易法		
廖瑶珠	国际私法, 国际经济贸易法 (香港执业律师, 公证人)		
(以上聘自港澳地区)			
陈丽中	国际经济贸易法, 国际经济贸易仲裁	PHILIP P. Y. YUEN	International Private Law, International Economic and Trade Law ( Solicitor, Hongkong )
张灵汉	国际私法	SUN SENG-TSANG	International Economy and Trade
李泽沛	国际经济贸易法	PETER C. K. CHAN	International Arbitration, International Private Law (Barrister-at-Law, Hongkong)
宋毅英	国际经济合作, 工业产权法,	HO SAI-CHU	International Economy and Trade
周焕东	国际经济贸易法	GRAHAM C. H. CHENG	International Economy and Trade
罗镇东	工业产权法, 国际商法		
梁红君	民法, 国际经济贸易法 (以上聘自深圳地区)		



In 1984, 8 out of 15 SCIA panel arbitrators originated from Hong Kong.

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SCIA Panel of Arbitrations has a total of 934 arbitrators, covering 77 countries and regions and approximately achieved full coverage of the Belt & Road countries. 385 are overseas arbitrators, accounting for more than 41.22% of the total.



In 2016, Mr. Rimsky Yuen Kwow-keung, the then Secretary of Justice of Hong Kong, and the SCIA Council members awarded the certificates to the SCIA panel arbitrators from Hong Kong.



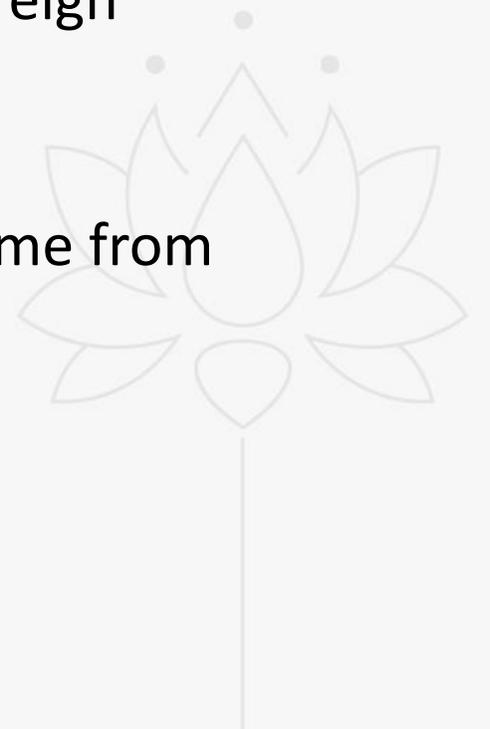
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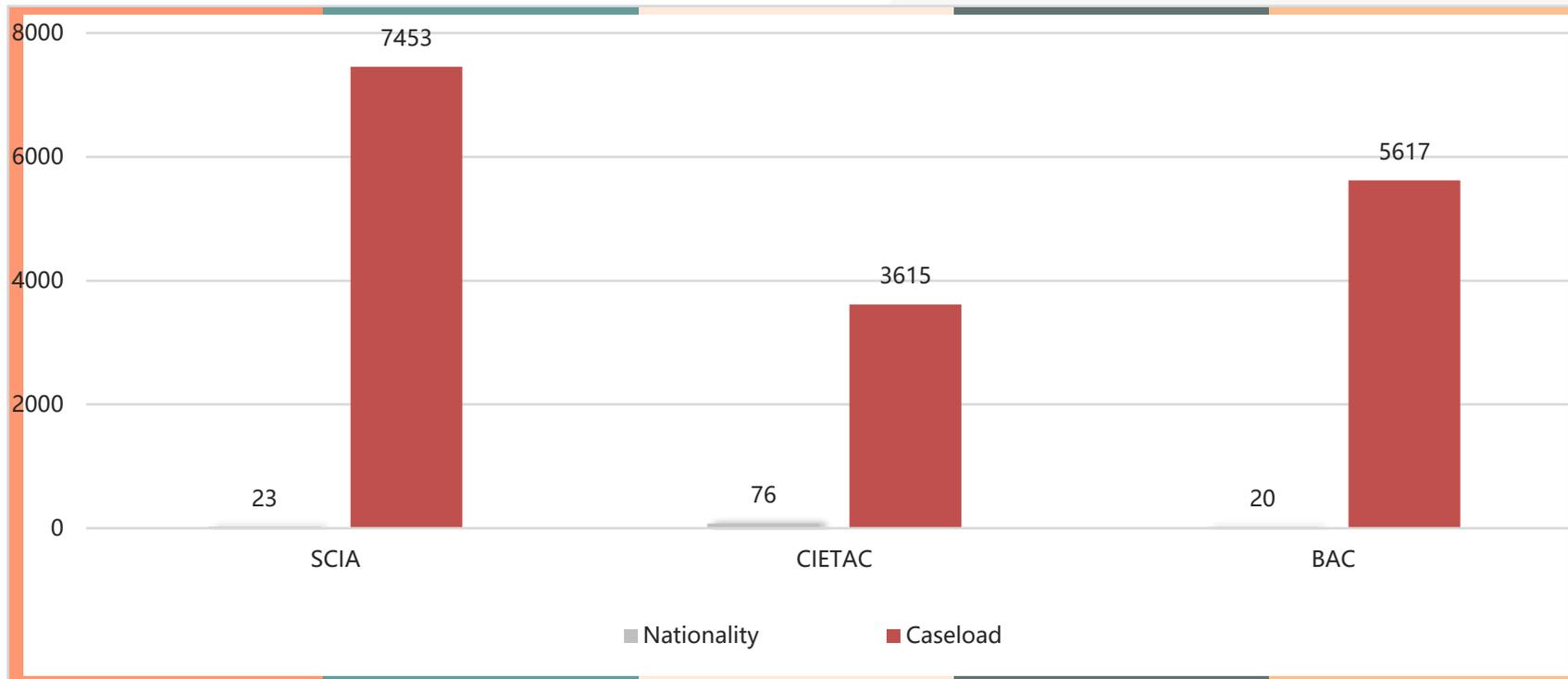
## Hong Kong Factors in the Case Structure



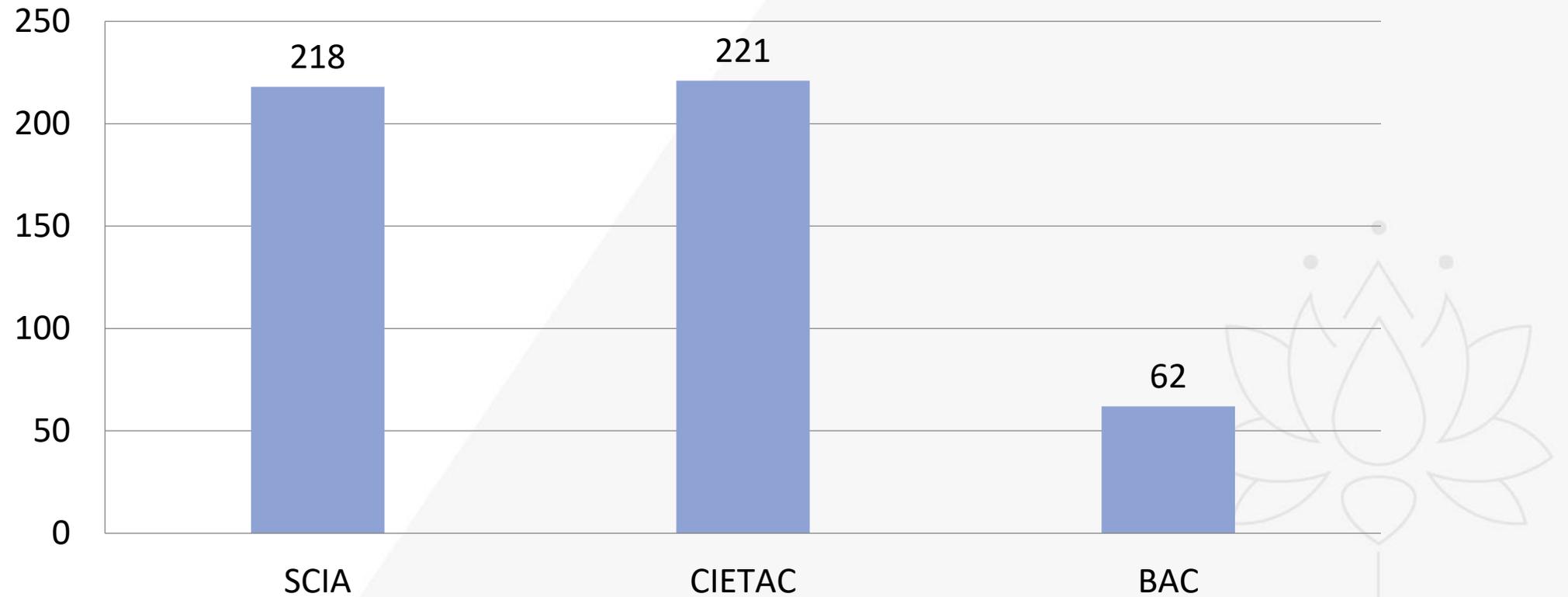
- Before 2020, all cases accepted by SCIA were foreign-related cases, 80% of the cases were HK-related case.
- After 2020, SCIA begins to accept both domestic and foreign cases, with HK-related cases being an important part.
- So far, the parties who arbitrate and mediate in SCIA come from 119 countries or regions.



The comparison of the nationality of parties and the total amount of cases accepted by major domestic arbitration institutions in 2020.

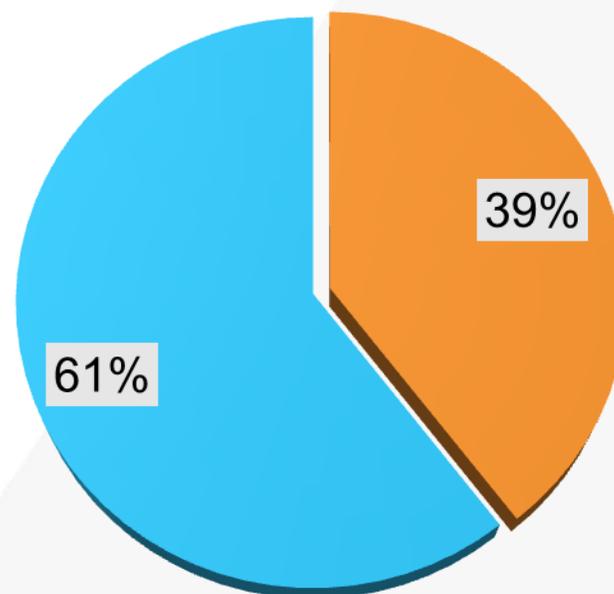


The comparison of the total number of HK-related cases accepted by major domestic arbitration institutions in 2020.



## 2014年受案数 Cases in 2014

■ 其他案件 Other Cases ■ 涉港案件 H.K. Cases



SCIA received 838 cases in 2014, of which 507 were HK-related.



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# Hong Kong Factors in the Enforcement of Arbitral Awards

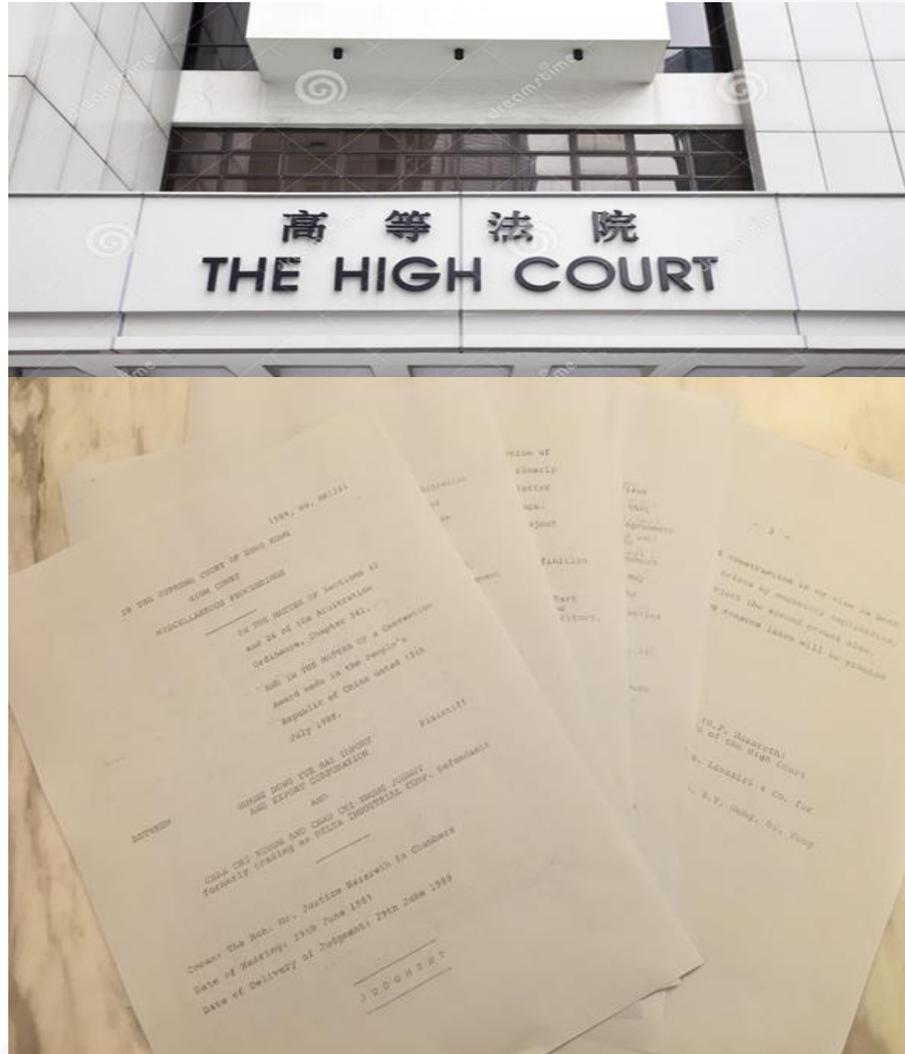




In 1988, the SCIA held a hearing for a cross-border dispute.

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The arbitral award was rendered in 1989, and enforced in Hong Kong in 1990, and the first arbitral award of China recognized and enforced overseas.

Year	Number of Enforced Mainland Arbitral Awards	Number of <u>SCIA's Enforced</u> Arbitral Awards	Number of Not Enforced Mainland Arbitral Awards	Number of <u>SCIA's Not Enforced</u> Arbitral Awards
2012	6	2	0	0
2013	8	2	0	0
2014	13	5	0	0
2015	8	2	2	0
2017	17	7	0	0
<b>In total</b>	<b>52</b>	<b>18</b>	<b>2</b>	<b>0</b>

Data as of end of 2017 provided by HK Judiciary

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Ms. Anna Joubin-Bret, Secretary of the United Nations  
Commission on International Trade Law

UNCITRAL and SCIA jointly held the first ceremony for the 60<sup>th</sup> Anniversary of New York Convention  
On 15 May 2018, Shenzhen.

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## Hong Kong Factors in the Arbitration Rules



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In 2016, the investor-state disputes accepted by the SCIA or commercial arbitration disputes applying UNCITRAL Arbitration Rules as agreed by parties, and implies that the Hong Kong shall be the seat of arbitration by default.



Global Arbitration Review - Arbitration News, Features and Reviews

# Shenzhen centre welcomes investor-state disputes

Lacey Yong 31 October 2016



Buy now

The Shenzhen Court of International Arbitration has updated its rules, becoming the first institution in mainland China that will hear investor-state arbitrations and administer cases under UNCITRAL rules.





## Important Clause and Rules Innovation

### Article 2, investment disputes , SCIA Arbitration Rules

**2016 edition of SCIA Arbitration Rules** :take the lead to introduce investment disputes

**2019 edition of SCIA Arbitration Rules** : Article 2, The SCIA accepts arbitration cases related to investment disputes between states and nationals of other states.

### SCIA Guidelines for Administration of Arbitration under UNCITRAL Arbitration Rules

This implies that the courts of Hong Kong Special Administrative Region control the procedure.

## II. Amendments of Arbitration Rules in the Context of Covid-19



## Procedural obstacles resulted from Covid-19

Communication

Service of Documents

Parties/Institution/Tribunal



Hearing

International Cases

Interstate Cases

Response required from arbitration institutions: Towards a more flexible procedure



# Arbitration Rules' Response

— A Comparison of Arbitration Rules of Shenzhen Court of International Arbitration (SCIA) and London Court of International Arbitration (LCIA)

## SCIA Amendments of Rules 2020

- I. Article 6 Service and Article 23 Submission of Documents
- II. Article 10 Objection to Jurisdiction and Decision on Jurisdiction (documents-only arbitration)
- III. Article 67 Application of Information Technology

## LCIA Arbitration Rules 2020

- I. Article 4.1 and 4.2 Written Communications, and Article 26.2 Electronic Signature
- II. Article 14.6 Wider Discretion for Arbitral Tribunal: dispensing with a hearing
- III. Article 14.6 Wider Discretion for Arbitral Tribunal: application of information technology and Article 19.2 Virtual Hearings

Key features: Communication, documents-only arbitration and virtual hearing



# SCIA Amendments of Rules 2020

## Provision on communications

### Article 6

### Service

#### Article 6.5

Unless otherwise agreed between the parties, the SCIA or an arbitral tribunal may permit a party to directly send arbitral documents and evidentiary materials to the other party at the same time as the submission thereof to the SCIA or arbitral tribunal, or to send them directly to ~~the online storage system provided by~~ the online arbitration platform of the SCIA, and then submit the record of delivery to the SCIA. The time of delivery will be determined by the SCIA or the arbitral tribunal according to the record of delivery.



# SCIA Amendments of Rules 2020

## Provision on communications

### Article 23 Submission of Documents (Previous 2019 Text)

#### Article 23

1. When submitting the Request for Arbitration, the Statement of Defence, the Statement of Counterclaim, the evidentiary documents, and other written documents, the parties shall ensure that each tribunal arbitrator, each party, and the SCIA will have a copy of the same, unless otherwise agreed by the parties or required by the SCIA or an arbitral tribunal.

2. When a hard copy of the above documents is being submitted, the SCIA or the arbitral tribunal may request the parties to submit the electronic version of the same simultaneously; the parties may also agree that the relevant arbitral documents shall be submitted electronically.



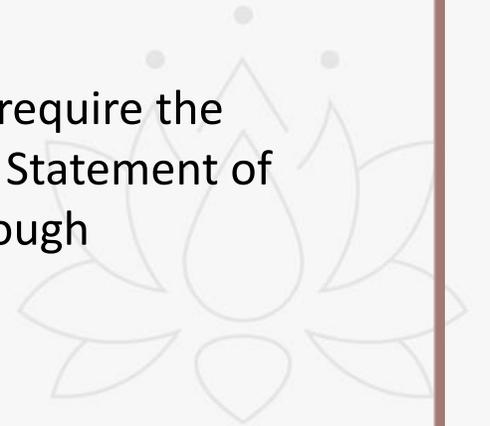
# SCIA Amendments of Rules 2020

## Provision on communications

### Article 23 Submission of Documents (Present Text)

#### Article 23

Unless otherwise agreed by the parties, the SCIA or an arbitral tribunal may require the parties to submit the Request for Arbitration, the Statement of Defence, the Statement of Counterclaim, the evidentiary documents, and other written documents through electronic means and/or as a hard copy.





# LCIA Arbitration Rules 2020

## Provision on communications

### Article 4 Written Communications and Periods of Time

4.1 The Claimant shall submit the Request under Article 1.3 and the Respondent the Response under Article 2.3 **in electronic form, either by email or other electronic means including via any electronic filing system operated by the LCIA. Prior written approval should be sought from the Registrar**, acting on behalf of the LCIA Court, to submit the Request or the Response by any alternative method.

4.2 Save with the prior written approval or direction of the Arbitral Tribunal, or, prior to the constitution of the Arbitral Tribunal, the Registrar acting on behalf of the LCIA Court, **any written communication in relation to the arbitration shall be delivered by email or any other electronic means of communication** that provides a record of its transmission.



# LCIA Arbitration Rules 2020

## Provision on communications

### Article 26 Award(s)

#### Article 26

26.2 The Arbitral Tribunal shall make any award in writing and, unless all parties agree in writing otherwise, shall state the reasons upon which such award is based. The award shall also state the date when the award is made and the seat of the arbitration; and it shall be signed by the Arbitral Tribunal or those of its members assenting to it. Unless the parties agree otherwise, or the Arbitral Tribunal or LCIA Court directs otherwise, **any award may be signed electronically** and/or in counterparts and assembled into a single instrument.



# SCIA Amendments of Rules 2020

## Provision on documents-only arbitration

### Article 10 Objection to Jurisdiction and Decision on Jurisdiction

#### Article 10.2

An objection to jurisdiction shall be raised in writing before the first oral hearing. Where a case is to be decided on the basis of documents only, such objection shall be raised in writing before the expiry of the time-limit for the submission of the first defence or within ten (10) days of receipt of the notice for a documents-only arbitration. If a party fails to raise such objection, it shall be deemed to have agreed to the jurisdiction of the SCIA.



# LCIA Arbitration Rules 2020

## Provision on documents-only arbitration

### Article 14 Conduct of Proceedings

#### Article 14

14.6 The Arbitral Tribunal's power under Article 14.5 includes the making of any procedural order with a view to expediting the procedure to be adopted in the arbitration by:

...

(v) **dispensing with a hearing**, subject always to Article 19;...

Article 19 says that "Any party has the right to a hearing before the Arbitral Tribunal... .

The Arbitral Tribunal may itself decide that a hearing should be held at any stage, unless the parties have agreed in writing upon a documents-only arbitration...."



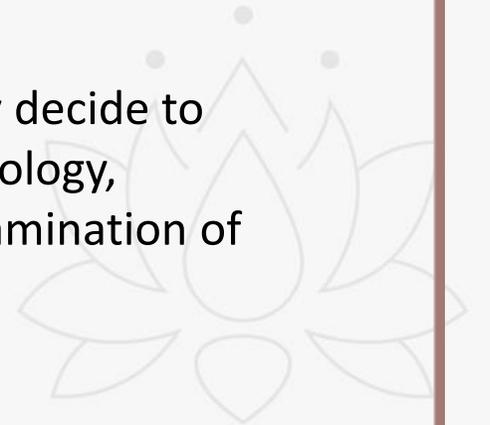
# SCIA Amendments of Rules 2020

## Provision on virtual hearing

### Article 67 Application of Information Technology

#### Article 67

Unless otherwise agreed by the parties, the SCIA or the arbitral tribunal may decide to conduct all or part of the arbitral proceedings by virtue of information technology, including but not limited to online registration, service, oral hearing, and examination of evidence.





# LCIA Arbitration Rules 2020

## Provision on virtual hearing

### Article 14 Conduct of Proceedings

#### Article 14

14.6 The Arbitral Tribunal's power under Article 14.5 includes the making of any procedural order with a view to expediting the procedure to be adopted in the arbitration by:

...

(iii) **employing technology to enhance the efficiency and expeditious conduct of the arbitration (including any hearing);...**



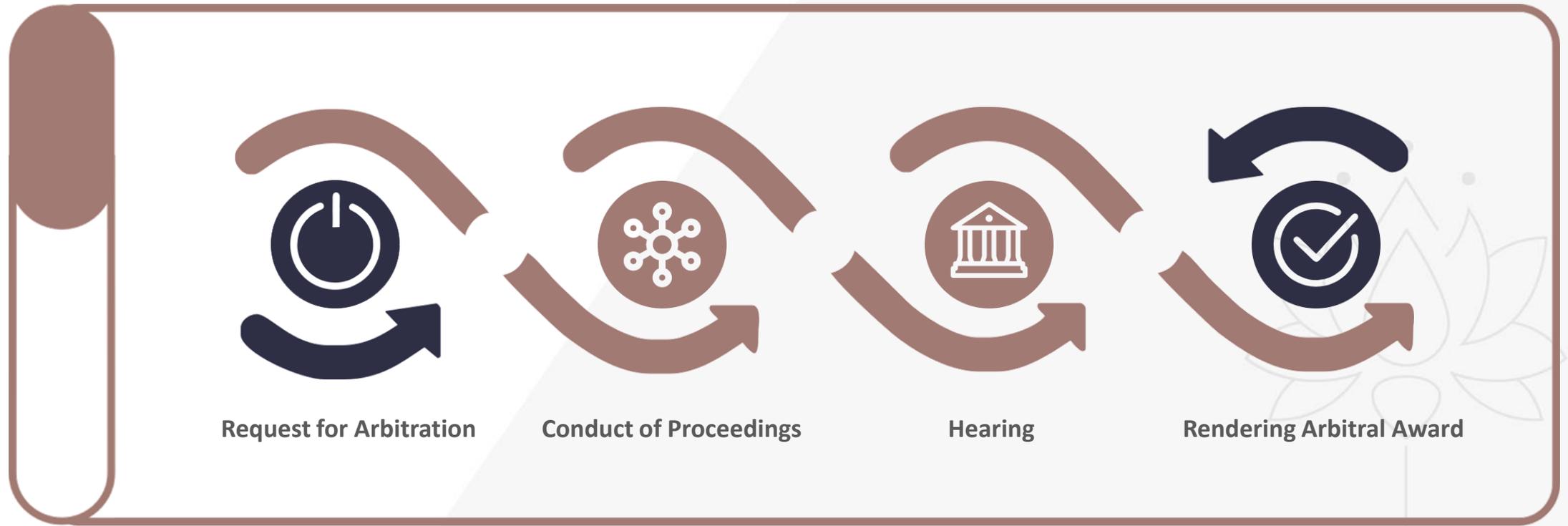
# LCIA Arbitration Rules 2020

## — Provision on virtual hearing

### Article 19 Hearings

19.2 The Arbitral Tribunal shall organise the conduct of any hearing in advance, in consultation with the parties. The Arbitral Tribunal shall have the fullest authority under the Arbitration Agreement to establish the conduct of a hearing, including its date, duration, form, content, procedure, time-limits and geographical place (if applicable). **As to form, a hearing may take place in person, or virtually by conference call, videoconference or using other communications technology with participants in one or more geographical places (or in a combined form).** As to content, the Arbitral Tribunal may require the parties to address specific questions or issues arising from the parties' dispute. The Arbitral Tribunal may also limit the extent to which questions or issues are to be addressed.

## From ADR to EDR





# Concerns about Virtual Hearing

## 5 Main Concerns

Logistic & Technical  
Issues

Witness' Integrity

Due Process

Recognition & Enforcement of Arbitral Awards

Privacy & Data Protection



# Online Witness in the Eyes of HK Courts

20 May 2020 Tsang Woon Ming v. Lai Ka Lim [2020] HKCFI 891

- Applications were made for three witnesses, who resided in, respectively, Taiwan, Macau and Shenzhen, to give evidence by way of video conferencing.
- The first two witnesses' applications were rejected. The court found that the two witnesses' unwillingness to allow any interference (two 14 days quarantine) to their business commitments during the periods of quarantine, was not a sufficiently good reason.
- The third witness application was granted for this witness was subject to travel restrictions and unable to obtain a visa to come to Hong Kong. Her inability to come to Hong Kong was a sound reason in support of the application.



## Online Witness in the Eyes of HK Courts

**25 May 2020** Taishin International Bank Co Ltd v. QFI Ltd [2020]  
HKCFI 938

- The application was made in respect of a witness residing in Mainland (Shanghai).
- Likewise, the court found that the inconvenience which the witness would have to face i.e., quarantine for 28 days, was not a sufficient factor justifying the use of video conferencing.
- However, the court allowed the application, noting that health should be the paramount concern of everyone and that the court had to, insofar as practicable, make arrangements to ensure the safety of everyone participating in the trial.
- The court was also satisfied that it would not be difficult for the other party to instruct a Mainland lawyer to observe the giving of evidence via video conferencing. The court also gave permission for the witness of the opposing party to give evidence via video conferencing if he so wished.



## Online Witness in the Eyes of HK Courts

10 Aug 2020 Au Yeung Pui Chun v. Cheng Wing Sang [2020] HKCFI 1940

- The two witnesses in this case resided in Switzerland (which was severely influenced by the Covid-19). The two witnesses were aged 68 and 56, respectively and had expressed concern about the health risks to themselves as well as the risks to their family and other court users if they were to travel to Hong Kong to attend the trial.
- In allowing the application, the court echoed the decision in *Taishin International Bank Co Ltd* in recognising that there were grounds for real concern for a person who was being asked to travel a very long distance, including taking a flight, to attend trial in an unfamiliar place in the midst of a coronavirus outbreak, particularly if that person was at the age of the two witnesses concerned.



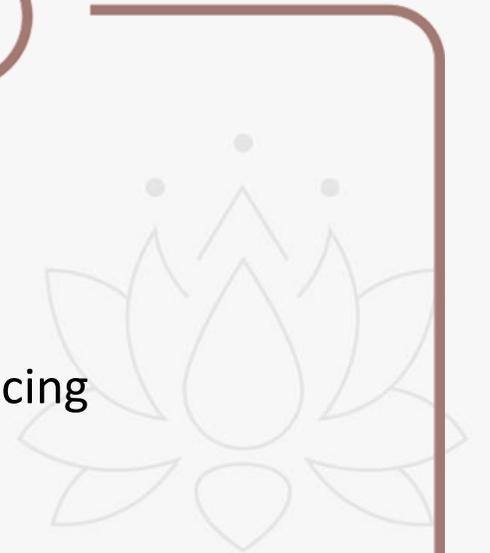
# Online Witness in the Eyes of HK Courts

## Summary

## Key Takeaways

- Video conferencing remains an exception.
- Inconvenience is not a valid ground for video conferencing.
- Health concerns may amount to sufficient grounds for video conferencing depending on the specific circumstances of the case.

(Source: Lianjun Li, et al. *Does Hong Kong court allow witness testimony via video conferencing?* 24 Aug 2020)





## Due Process

### 1 Is it allowable under the arbitration rule?

- **Unconditional:** LCIA Arbitration Rules (19.2), SIAC Arbitration Rules 2016 (Art. 19.1), and HKIAC Arbitration Rules 2018 (Art. 13.1). Also, draft SCIA HK Arbitration Rules 2020 (Art. 17.1 and Art. 28.4).
- **Conditional:** SCIA Arbitration Rules Amendments 2020 (Art. 67) and ICC Arbitration Rules 2017 (Art. 22.(2))

### 2 Are there equal treatment and reasonable opportunity to present case for the parties?

SCIA HK Arbitration Rules (Art. 17.1) and HKIAC Arbitration Rules (Art. 13.1)



# Austrian Supreme Court's Ruling

**28 Sep 2020** Decision under docket no. 18 ONc 3/20s

- The arbitration proceedings at issue had been pending before the Vienna International Arbitral Centre (“**VIAC**”) since August 2017.
- The arbitral tribunal postponed a hearing originally scheduled for March to 15 April 2020 and a conference call was held to discuss the impact of COVID-19-related travel restrictions on an in-person hearing in April.
- The arbitral tribunal ultimately decided to conduct it via video-conference.



# Austrian Supreme Court's Ruling

**28 Sep 2020** Decision under docket no. 18 ONc 3/20s

Respondents raised the following allegations:

- Unfair conduct of proceedings, violation of due process and unequal treatment of the parties in connection with the virtual hearing on 15 April 2020, the dismissal of the respondents' request for postponement, which was served to the parties only three business days before the hearing and the early starting time for respondents' counsel.
- Conduct of the hearing by means of a video-conference despite the respondents' express rejection and disregarding appropriate measures against influencing witnesses



# Austrian Supreme Court's Ruling

**28 Sep 2020** Decision under docket no. 18 ONc 3/20s

The Austrian Supreme Court rejected the respondents' challenge on the following grounds:

- The arbitral tribunal enjoys broad discretionary power how to manage arbitral proceedings. Article 28 of Vienna Rules provides arbitral tribunal may conduct proceedings at its own discretion.
- The arbitral tribunal enjoys broad discretionary power how to conduct hearings and how to monitor witnesses. The Court noted that video-conferences are an accepted and widespread tool to conduct both arbitral and state proceedings, particularly during a pandemic. It further stated that such an abuse cannot be completely eliminated, even for in-person hearings; On the contrary, virtual hearings via video-conference actually offer various monitoring options. No violation of the principles of a fair trial.



# Enforcement of Arbitral Awards

— From the perspective of New York Convention

## Contrary to Parties' Agreement

Article 5.1.(d) of New York Convention provides that “the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties, or failing such agreement, was not in accordance with the law of the country where the arbitration took place.”

## Public Policy

Can *Supreme People's Court Notice for Online Litigation (14 Feb 2020)* making parties' consent as a prerequisite be regarded as a public policy factor?

# III. Five Roles Played by the Hong Kong legal professionals in SCIA

## Five Roles

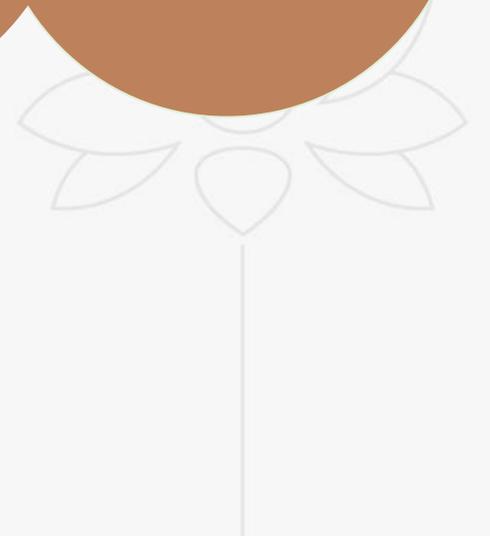
Council  
Member

Arbitrator

Mediator

Party  
Representative

Expert  
Witness



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# Role No.1: Council Member



## Members of the First Council of the SCIA



2012-2017

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## Members of the Second Council of the SCIA



**Members of the Second Council of the SCIA  
June 29, 2017**

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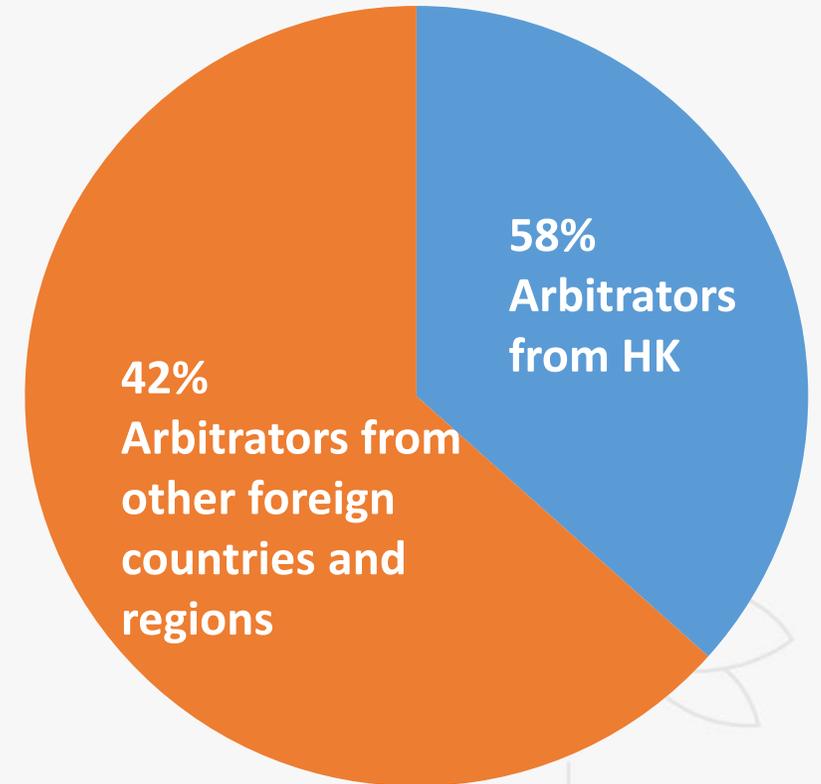
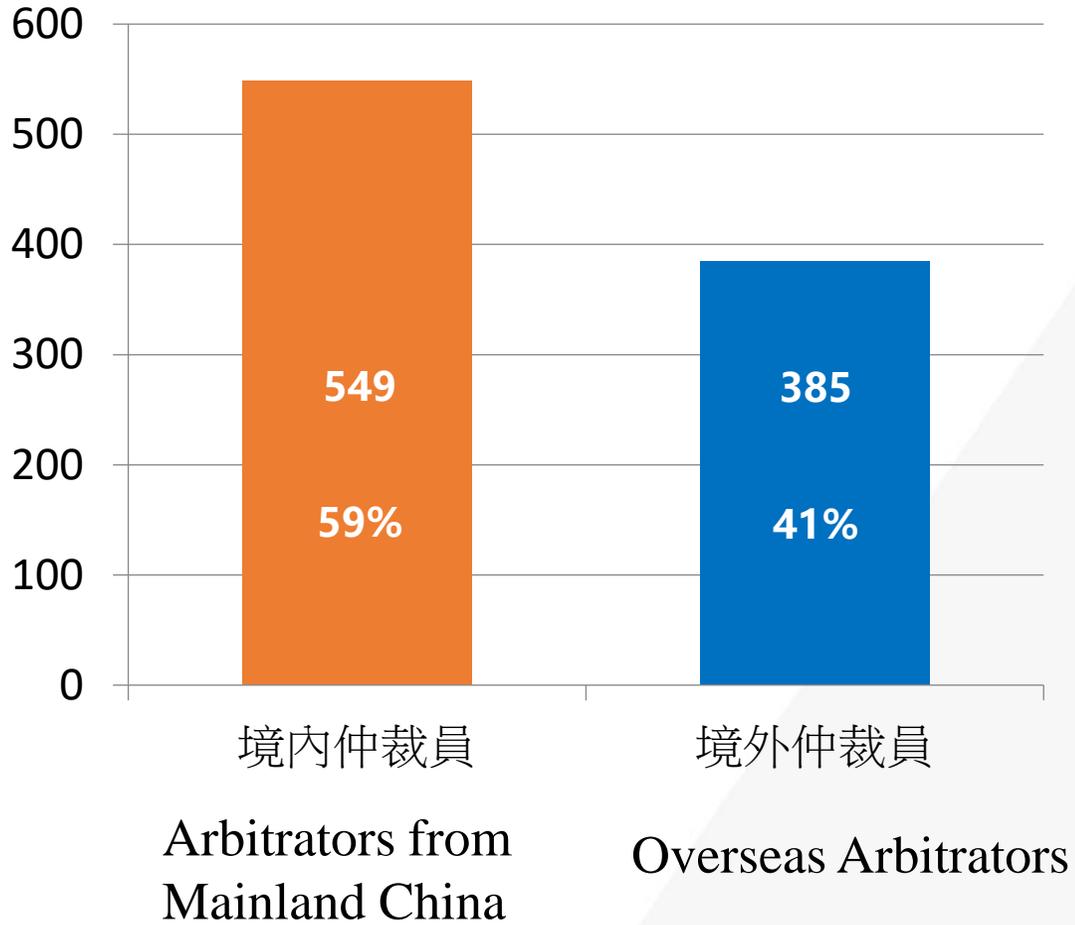
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# Role No. 2: Arbitrator



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# Role No. 3: Mediator



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In 2008, the SCIA established the SCIA Mediation Center to promote the “non-tribunal-facilitated mediation + SCIA arbitration” mode of dispute resolution.

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- SCIA Panel of Mediators

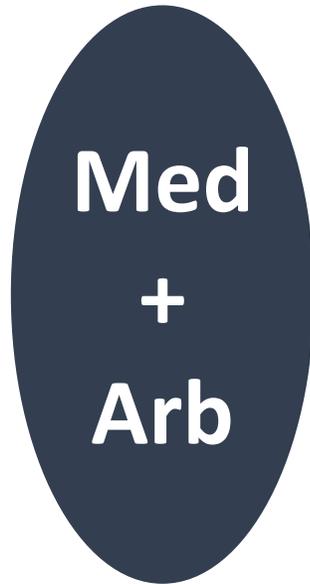


# Diversified Harmonious Dispute Resolution

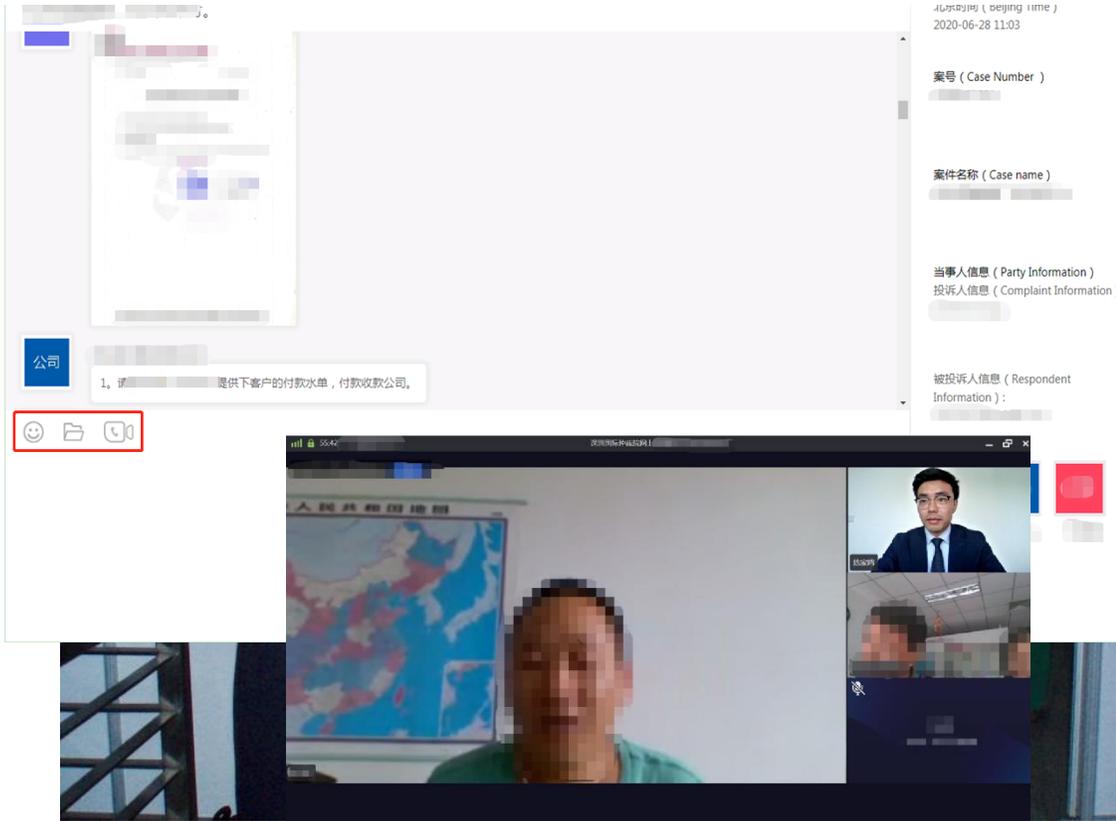
Mediation  
+  
Arbitration

Negotiation  
Facilitation  
+  
Arbitration

# Diversified Harmonious Dispute Resolution



## Canton Fair Mediation + SCIA Arbitration



- Started from 2007 till now
- In 2020, affected by the COVID-19 outbreak, changed to online mediation
- Parties involving in the Canton Fair mediation cases covering 119 countries and regions.

**Canton Fair: Settle International Trade Disputes**

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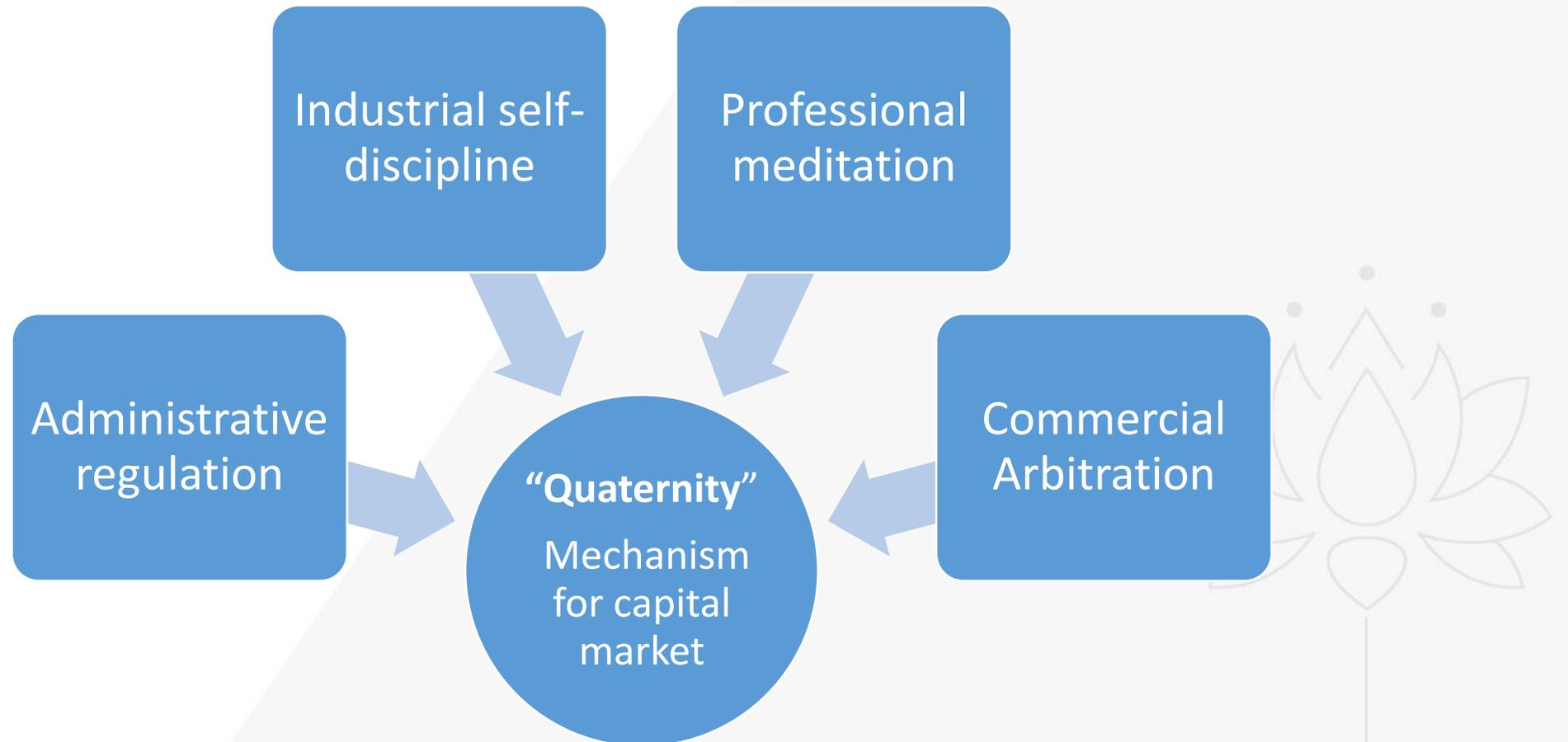
# Diversified Harmonious Dispute Resolution



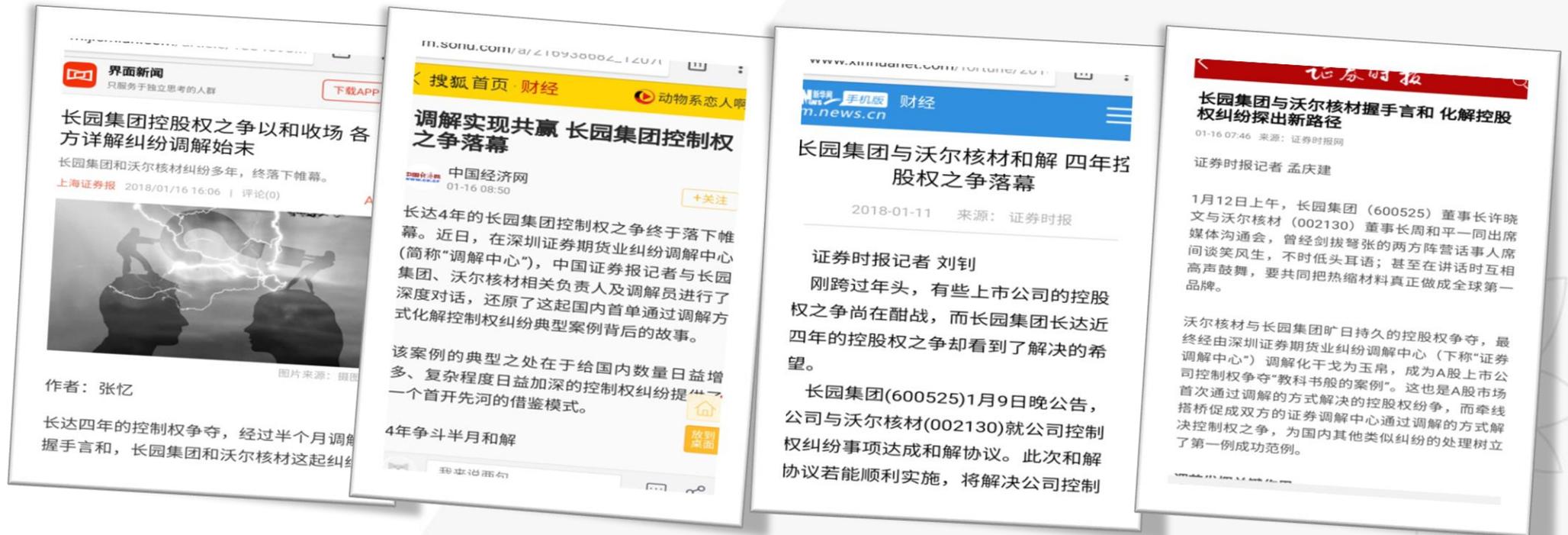
- Established on Sep. 23, 2013
- Co-established by SCIA, CSRC, Shenzhen Stock Exchange and other major self-regulatory bodies in Chinese capital market

Shenzhen Securities and Futures Dispute Resolution Centre

# Diversified Harmonious Dispute Resolution



# Case Study: The First Case of Chinese Listed Companies' Control Right Dispute



(Amount in Dispute: Over RMB 2.4 Billion)

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SCIA

# Guangdong Hong Kong & Macao Arbitration & Mediation Alliance



## Case Study: HK Mediator solved the dispute involving HK parties



粤港澳仲裁调解联盟

Guangdong, Hong Kong & Macao Arbitration & Mediation Alliance



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SCIA

# SCIA Negotiation Facilitation Centre



“The newest innovation in Shenzhen.” — *Global Arbitration Review*

## Case Study: The First Negotiation Facilitation Case in China



- Most difficult shanty town renovation in China
- Urban Renewal Project



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# Role No. 4: Party Representative





- About 90% of all arbitration and mediation cases handled by SCIA are represented by lawyers.

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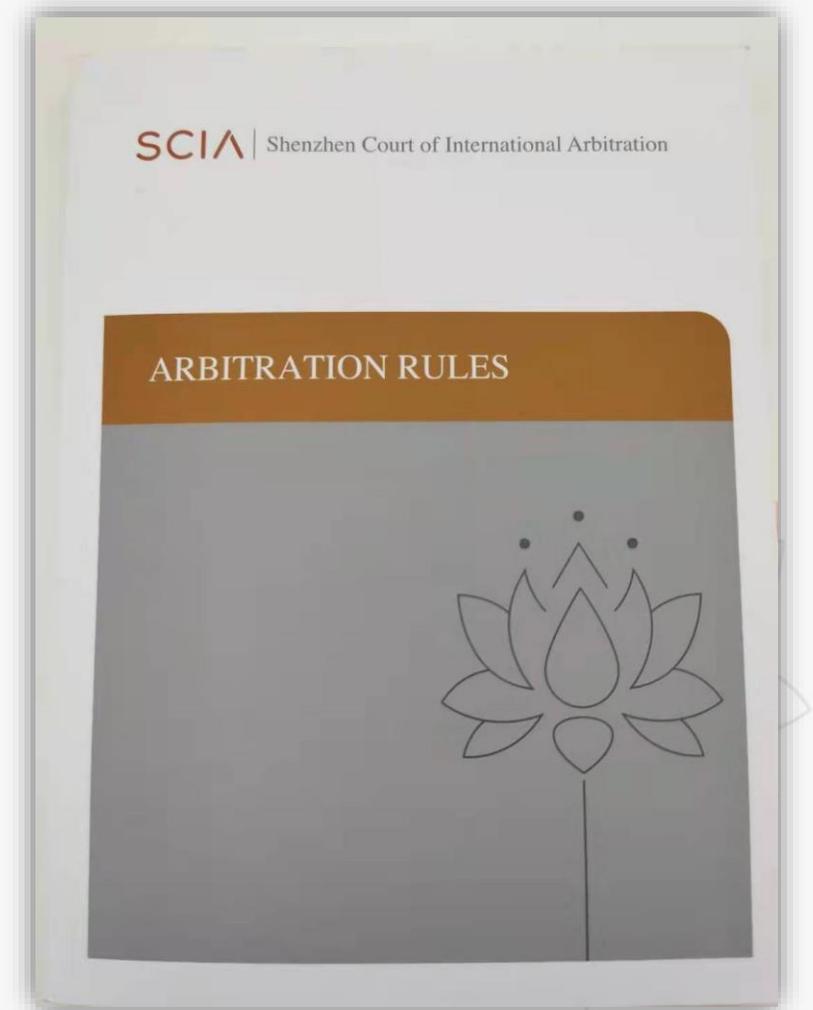
# Role No. 5: Expert Witness



# Expert Witness

According to the SCIA Arbitration Rules

- Legal issues or other professional issues
- Written submissions and/or testify in the oral hearings



独立 公正 创新

SCIA | 深圳国际仲裁院  
Shenzhen Court of International Arbitration

# IV. Milestone Arbitration Cases of SCIA

独立 公正 创新



SCIA

In 1988

- **Case Study: A Milestone Mediation Case of a Transnational Dispute**
- **Claimant: A Company based in GD**
- **Respondent: A Japanese Company**
- **Ban export**
- **Mediation + Arbitration**

In 1989

Case Study: An Arbitration Case to Optimize International Business Environment

- Claimant: US Company based in HK
- Respondent: PRC State Owned Enterprise
- International Trade Dispute
- Mediation + Arbitration

Chinese firm settles claim

**By Phil Mccord, Sunday Standard**

A HONGKONG-based trading company ended a 15-month battle with a Shenzhen court with a six-figure US dollar payout.

Guif and Western Marketing Limited will be awarded the sum in two instalments from China Nanhai Oil Joint Services Corporation.

Alan Sporn, managing director of the company, said the threat by the US West China from its most favoured nation trade list may have had a bearing on the outcome of the case, held before the Arbitration Court of Shenzhen.

"The case ended abruptly. The signing of the settlement deal was a ceremonial affair overseen by the Ministry of Foreign Relations and Trade."

Sporn said he was surprised and relieved at the outcome. "I do not think it is often a foreign company wins this type of case and this amount of money in China."

The settlement stems from claims by Guif and Western, that latex delivered to its China partners was riddled to other factories. Its US customers were said to receive shipments that were full of holes, made from inferior rubber, and dispatched in boxes without labels.

Sporn, who at one stage had to put his HK\$5.8 million Clearwater Bay house on the market to try and recover his losses, said he was forbidden to release "that" amount of damage as that was part of the settlement deal.

The company was seeking US\$5 million (HK\$39 million) in damages.

The original contract was for the company to produce 15 million latex gloves in a 15-month period. When the first shipment of gloves was found to be defective, the company launched an investigation.

It found the original high quality latex had been 90% by a branch manager and substituted for a lower quality product. The manager has since disappeared and is believed to be living abroad.

During the case, Sporn enlisted the help of US government officials, three senators and President George Bush.

Sporn said he also enlisted the help of the US Embassy in Beijing to help settle the case.

"We were told by the embassy that US Government involvement went a long way to deciding the outcome of the case."



Alan Sporn

**高服總貿易糾紛 港商在深判勝訴**

【本報訊】香港高服總貿易有限公司與中國南海石油聯合服務公司（以下簡稱「深州分公司」）的合約加工合同，由於總供商未能配合開本到港履行，令開本方因此蒙受一定損失。

中國國際經濟貿易仲裁委員會深圳分會根據本公司的申請，裁定了仲裁庭，經過仲裁庭的調解，雙方本着互諒互讓的精神，經過多次磋商協議，本公司獲得一定金額的賠償。

本公司歡迎全港同胞和各界人士，深如解決中港兩地分公司是合同、守信用，也因而促進和加強了全港對岸投資的信心。

關於本案合約的所有權及仲裁事宜，本公司特此聲明，以正視聽。

美商香港高西洋行有限公司  
一九八九五月十九日

中國國際經濟貿易仲裁委員會 深圳分會 任建新



**報日方東**

**中港貿易糾紛港方勝訴**

【本報訊】香港高服總貿易有限公司與中國南海石油聯合服務公司（以下簡稱「深州分公司」）的合約加工合同，由於總供商未能配合開本到港履行，令開本方因此蒙受一定損失。

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美商香港高西洋行有限公司  
一九八九五月十九日

**美商香港高西洋行有限公司**

啟事

本公司與中國南海石油聯合服務公司（以下簡稱「深州分公司」）的合約加工合同，由於總供商未能配合開本到港履行，令開本方因此蒙受一定損失。

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美商香港高西洋行有限公司  
一九八九五月十九日

**BUSINESS STANDARD SATURDAY, MAY 19, 1990**

Guif and Western Marketing Limited was set to announce that in compliance with the work pending contract entered by and between this firm and the CHINA NANHAI OIL JOINT SERVICES CORPORATION, SHENZHEN BRANCH OFFICE (hereinafter called Nanhai Shenzhen), both parties have sustained certain losses for various reasons which frustrated the otherwise smooth performance of the said contract.

That the China International Economic Trade Arbitration Commission Shenzhen has upon the application for Arbitration filed by this firm, formed an Arbitration Tribunal and constituted mediators whereupon both parties have reached a satisfactory settlement based on the spirit of mutual understanding and compromise which results in the award of a fixed amount of recompense for this firm.

That subsequently upon the outcome of this contractual dispute, this firm has recognized that Nanhai Shenzhen has taken a serious view on contracts, we therefore have regained our confidence in our future investment projects in China.

That in the event of disparity in reports by the media surrounding this case, this announcement shall prevail and the same is hereby specifically made in order to ensure a correct understanding of the firm.

Guif and Western Marketing Limited  
Dated: 17th May, 1990

"Notice is hereby given that Chia Chi Keung of Flat B, 4/F, 1029 Canton Road, Kowloon is applying to the Urban Council for new issue of a Liquor Licence in respect of Golden Seafood Restaurant at Basement European Asian Bank Bldg-749 Nathan Rd., Kln. and that any person who knows any reason why this application should not be granted should send a written and signed statement of the facts to the secretary, Urban Council Liquor Licensing Board, Urban Council Fa Yuen Street Complex, 7/F., 123A, Fa Yuen Street, Mongkok, Kowloon, within 14 days from the date of this notice."

Date: May 19, 1990

**美商香港高西洋行有限公司啟事**

啟事者：有關於本公司與中國南海石油聯合服務公司（以下簡稱「深州分公司」）的合約加工合同，由於總供商未能配合開本到港履行，令開本方因此蒙受一定損失。

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美商香港高西洋行有限公司  
一九八九五月十九日



1992-2014

- **Case Study: The First HK-related “Cross-Century” “Class Arbitration” Case**
- **HK Investors**
- **Real Estate Dispute**
- **478 cases in total**



独立 公正 创新

SCIA

In 2014

- **Case Study: Resolve Deadlock for Chinese Listed Companies**
- **Claimant: KONKA Group**
- **Respondent: Overseas Chinese Town Limited**
- **Land use right dispute**
- **Sole Arbitrator**



独立 公正 创新

SCIA

In 2014



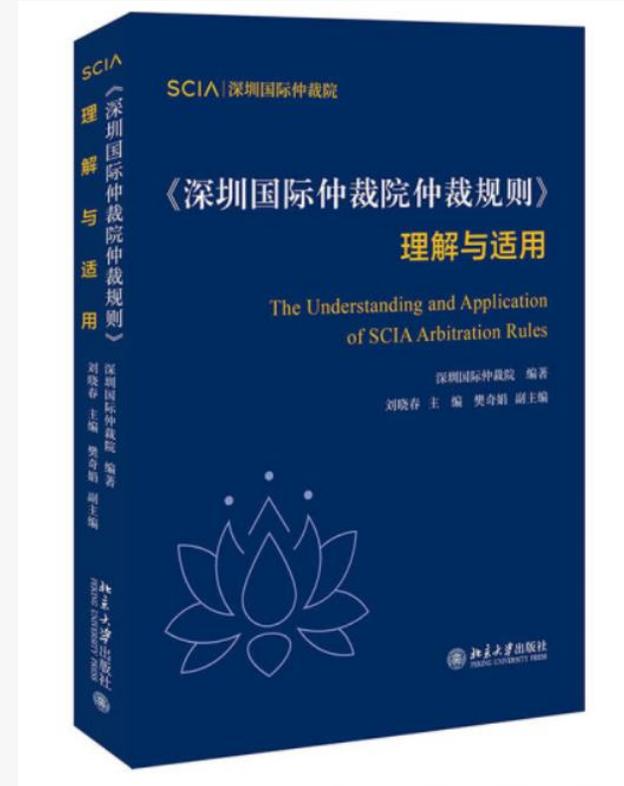
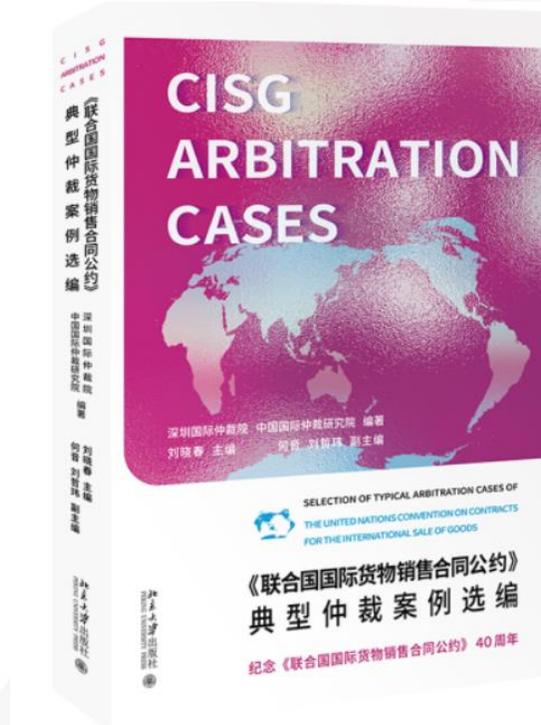
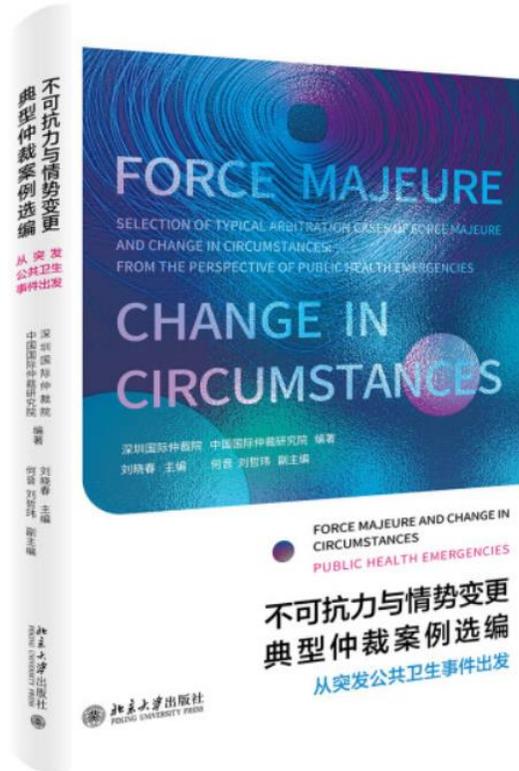
- **Case Study: The First Case of “Class Mediation” in China’s Capital Market**

- **Listed Company “Hirisun”**
- **False statements**
- **9823 investors**
- **Settlement Agreement**



独立 公正 创新

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In 2020, members of the Second Council (who are all members of the Academic Committee) together organized SCIA staff to publish a series of book.

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SCIA | 深圳国际仲裁院  
Shenzhen Court of International Arbitration

# SCIA: New Development of GBA International Arbitration

独立 公正 创新

SCIA

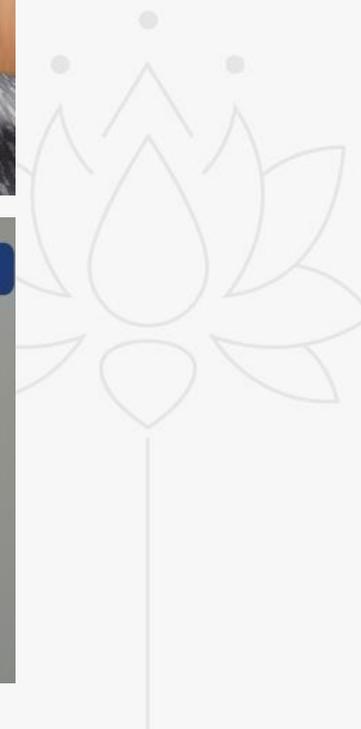
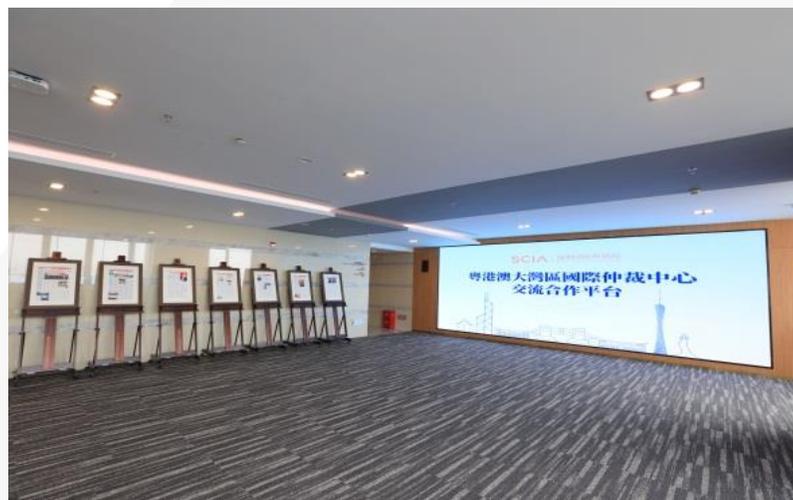
# New Offices



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# GBA International Arbitration Center Exchange and Cooperation Platform



独立 公正 创新

# New Offices

SCIA



- SCIA International Arbitration Tower in Qianhai



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○ SCIA International Arbitration Tower



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# Hong Kong: International Legal and Dispute Resolution Service Center of the Asia Pacific



Thank you for your  
attention!



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