

**By post and by fax at 3543 0350**

10 July 2014

Mr Bernard YUE  
Senior Government Counsel (Acting)  
Legal Policy Division  
Department of Justice  
10/F, Rumsey Street Multi-storey Carpark Building  
2 Rumsey Street  
Sheung Wan, Hong Kong

Dear Mr YUE

**Consultation Paper on the Arbitration (Amendment) Bill 2014**

Thank you for your letter of 11 June 2014 inviting the Institution to put forth our views on the captioned subject.

The Institution notes that there are concerns expressed over the legal uncertainties relating to the application of the opt-in provisions in Schedule 2 of the Arbitration Ordinance (Cap. 609) to parties with domestic arbitration agreement in cases where the number of arbitrators of the arbitral tribunal are specified.

The Institution is aware that there are in practice such legal uncertainties in the opt-in mechanism under the Arbitration Ordinance as detailed in paragraphs 2 & 3 of the Consultation Paper. As such, the Institution welcomes and supports the introduction of the proposed amendments to the Arbitration Ordinance, and we are of the opinion that it may also encourage more parties to commence arbitration in Hong Kong by removing such legal uncertainties and putting the matters beyond doubt.

In relation to the proposed amendments as set out in paragraph 16 of the Consultation Paper, the Institution agrees with the 1<sup>st</sup> and 2<sup>nd</sup> Proposals suggested by the Hong Kong International Arbitration Centre and sees that they will enhance the legal certainties in cases where the parties have exercised the option to choose the number of arbitrators under a domestic arbitration agreement.

.../2

- 2 -

10 July 2014

Mr Bernard YUE

According to paragraph 19 of the Consultation Paper, it is noted that section 1 of Schedule 3 of the Arbitration Ordinance provides continuity for arbitral proceedings commenced before the enactment of the Amendment Ordinance not to be affected by its introduction. The Institution supports the proposal for adopting the same approach in the Arbitration (Amendment) Bill 2014.

Thank you for your attention.

Yours sincerely



Ir Victor CHEUNG Chi Kong  
President  
The Hong Kong Institution of Engineers

VC/wc