



## **THIRD PARTY FUNDING FOR ARBITRATION IN HONG KONG – 1 FEBRUARY 2019 IN FORCE**

**2019 looks set to be the year of third party funding for arbitration in Hong Kong.**

To recap, the Arbitration and Mediation Legislation (Third Party Funding) (Amendment) Ordinance 2017 (Amendment Ordinance) came into force on 23 June 2017, with certain sections to come into effect at a later date and publication of a Code of Practice for Third Party Funding of Arbitration (the Code of Practice). We looked at this development in some detail in our earlier briefing <http://www.hfw.com/Third-Party-Funding-Bill-legislative-change-bolsters-Hong-Kongs-standing-in-international-arbitration-space-June-2017>

A Code of Practice has now been issued by the Department of Justice (DoJ) on 7 December which provides guidance on the standards and practices which third party funders are expected to follow.

And as gazetted on 7 December, Section 3 of the Amendment Ordinance, which contains Divisions 3 and 5 of the new Part 10A of the Arbitration Ordinance (Amendment Ordinance) will now come into operation on 1 February 2019. These sections expressly permit the use of third party funding for arbitration in Hong Kong. The provisions at Section 4 which concern third party funding for mediation will enter into force at a later date.

These are both significant and welcome developments and we expect to see more interest in third party funding for arbitration in Hong Kong. HFW's Funding Committee works to offer guidance and support on funding matters, and looking ahead we will be pleased to work with you to consider third party funding as an option for your arbitration.

### Useful Links

G.N. 9048 Code of Practice for Third Party Funding of Arbitration  
[http://gia.info.gov.hk/general/201812/07/P2018120700601\\_299064\\_1\\_1544169372716.pdf](http://gia.info.gov.hk/general/201812/07/P2018120700601_299064_1_1544169372716.pdf)

Gazette No.25 Vol.21 with text of Arbitration and Mediation Legislation (Third Party Funding) (Amendment) Ordinance  
<https://www.gld.gov.hk/egazette/pdf/20172125/es1201721256.pdf>

DoJ Press Release  
[https://www.doj.gov.hk/eng/public/pr/20181207\\_pr4.html](https://www.doj.gov.hk/eng/public/pr/20181207_pr4.html)

HFW Briefing June 2017  
<http://www.hfw.com/Third-Party-Funding-Bill-legislative-change-bolsters-Hong-Kongs-standing-in-international-arbitration-space-June-2017>

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