



香港國際仲裁中心
Hong Kong International
Arbitration Centre

Russian corporate disputes administered by foreign PAIs

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2 December 2020



HKIAC'S PAI STATUS – KEY DATES



1

25 April 2019

HKIAC recognised by Russian Ministry of Justice as **permanent arbitration institution**

2

10 February 2020

HKIAC and VIAC submit **Joint Request for Clarifications** to the Russian Council for Development of Arbitration

3

27 May 2020

Working Group 2 on Foreign Arbitral Institutions of the Council issues **Response**

CASES INVOLVING RUSSIAN PARTIES AT HKIAC

- 20 cases since 2009; highest number of Russian parties in any year was **2019**
- Mostly **contractual** disputes: commercial (financing, trade, professional services), maritime and corporate
- Total amount in dispute **USD400.6 million** (USD50k to USD187million, average USD 20 million)
- Applicable law: mainly **English law**, equal Hong Kong law and Chinese law
- Languages: mainly **English**, some Chinese and Russian
- Nationality of counterparty: Chinese, Hong Kong, European (**Russian claimants >50%**)
- Seat: mostly **Hong Kong**
- PAI status: **HKIAC** in clauses now, including waterfall clauses
 - Russian speaking arbitrators on Panels and List
 - HKIAC Administered Arbitration Rules in Russian
 - Russian legal specialists on Council and legal staff of secretariat

WHY HKIAC FOR RUSSIA-RELATED DISPUTES?

- **Sanctions:** HKIAC operates primarily from a jurisdiction that has not imposed sanctions
- **PAI status** – Minimal **intervention** by Russian courts (can exclude set aside, jurisdiction challenges, arbitrator challenges)
- **International secretariat** with Russia lawyer
- **Appointments** by HKIAC – expansion of pool of Russian-speaking arbitrators
- HKIAC Administered Arbitration Rules 2018 – available in **Russian**
- Special features of **HKIAC Rules**:
 - Choice in method of paying tribunal (hourly rate/ad valorem scale)
 - Expedited proceedings
 - Early determination procedure
 - Emergency arbitrator procedure
 - Time limit for issuing awards
 - Multi-party, multi-contract provisions and joinder
 - Third party funding
- Costs and duration of HKIAC proceedings – **cost** and **time** efficient

RUSSIA, CHINA AND HONG KONG

- High level of **trade** and **investment** activities between China and Russia
- Russia-related projects under the **Belt and Road Initiative** (e.g. China-Russian Tongjiang railway bridge)
- **HK's unique role** for disputes involving Russian and Chinese parties:
 - Arrangement Concerning **Mutual Assistance** in Court-ordered Interim Measures between PRC and HK
 - HKIAC's and HK's **independence** in disputes between Russian and Chinese parties



Belt and Road Initiative

US\$5 trillion

estimated capital needed for infrastructure projects

60%

of the world's population

65+ economies involved