

Hong Kong Arbitration: An Update on Key Developments 2025



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Introduction

Hong Kong's status as a premier global hub for international arbitration is founded upon its modern legislative framework, independent and strongly pro-arbitration judiciary, and world-class ecosystem of supporting institutions and legal practitioners. Significant institutional, legislative and case law developments in 2025 have continued to enhance Hong Kong's international legal standing, reinforcing its reputation as a dynamic and dependable jurisdiction for dispute resolution.

Establishment of the International Organisation of Mediation

The formal establishment of the International Organisation for Mediation ("IOMed") in Hong Kong was a landmark institutional development in 2025. This created the world's first inter-governmental legal body dedicated exclusively to resolving international disputes through mediation. Headquartered in Hong Kong, IOMed is positioned to become a key institution for amicable dispute resolution, diversifying the services available in the region and solidifying its role as a critical legal nexus, particularly for disputes arising from countries under the Belt and Road Initiative.

The Unique Hong Kong-Mainland China Connection

A defining feature of Hong Kong's arbitration landscape remains its unique set of mutual arrangements with Mainland China. The Arrangement Concerning Mutual Assistance in Court-Ordered Interim Measures ("**Interim Measures Arrangement**") is particularly crucial, as it allows parties to Hong Kong-seated arbitrations to apply directly to Mainland courts for interim relief—a right not available to arbitrations seated elsewhere.

This Interim Measure Arrangement has proven highly effective. Since its inception in 2019, the Hong Kong International Arbitration Centre ("**HKIAC**") has processed over one hundred applications, resulting in Mainland courts preserving assets valued at a total amount of approximately USD 3.9 billion¹. When combined with the arrangement for mutual enforcement of arbitral awards, the high success rate of these applications has further strengthened Hong Kong's status as the undisputed seat of choice for any international party contracting with a Chinese entity.

¹ Accurate as of 22 August 2025. For more information regarding HKIAC's statistics on interim measures, please visit <https://www.hkiac.org/arbitration/IMA-FAQs>.

Key Cases Decided by the Hong Kong Courts in 2025

The Hong Kong courts thus far in 2025 have delivered a series of important judgments that provide critical guidance on various aspects of arbitration law, procedure and practice.

(1) Binding Non-Signatories: The *Techteryx* Decisions

In two related landmark decisions, *Techteryx Ltd v Legacy Trust Company Limited & Ors* [2025] HKCFI 665 and [2025] HKCFI 787, the Court of First Instance addressed the complex issue of whether a non-signatory to an arbitration agreement can be bound by or rely on such agreement. The Court held that it would look beyond the formal list of signatories to the commercial reality of the dispute. It confirmed that where a non-signatory's rights or liabilities are inextricably linked to the contract containing the arbitration clause, the Court is prepared to compel arbitration to prevent the fragmentation of disputes. This pragmatic approach ensures that the intended scope of an arbitration agreement is respected.

(2) Security for Costs in Arbitration Challenges: The *Borrower v Lender* Decision

The Hong Kong Court's decision in *Borrower v Lender* [2025] HKCFI 3197 affirmed the Court's power to order security for costs in proceedings to apply to set aside an arbitral award. The judgment reinforces Hong Kong's pro-arbitration policy by balancing a party's right to challenge an award with the need to protect the finality of the process. The Court will undertake a holistic assessment, considering factors such as the applicant's lack of credible assets within the jurisdiction and a preliminary view of the challenge's merits. The case sends a clear message that the courts will deter unmeritorious claims and tactical delays, particularly from foreign parties with no tangible presence in Hong Kong.

(3) The Scope of an Arbitration: The *C1 and Others v. IBS* Decision

The judgment in *C1 and Others v IBS* [2025] HKCFI 227 reaffirmed the judiciary's robustly pro-arbitration stance regarding challenges to awards based on alleged jurisdictional overreach (*ultra petita*). In this case, the applicants argued that the tribunal had decided matters beyond the scope of the formal pleadings. In dismissing the challenge, the Court departed from the more prescriptive "five sources" approach as articulated by the Singapore Court of Appeal (see *CJA v CIZ* [2022] SGCA 41), which traditionally looks to pleadings, list(s) of issues, opening statements, evidence adduced, and closing submissions to define the arbitral mandate. The Hong Kong Court favoured a fluid and commercially sensible assessment. It held that a court must "look at matters in the round" to determine the true scope of the dispute as it was argued and understood by the parties. This significantly raises the bar for parties seeking to challenge an award on such grounds and places a strong emphasis on the principle of finality.

(4) Arbitrator Impartiality and Public Policy: The *CNG v G & Anor* Decision

The latest authority in *CNG v G & Anor* [2025] HKCFI 3598, handed down on 13 August 2025, depicts the high bar set for challenging an award on the grounds of an arbitrator's apparent bias. The challenge was based on allegations that the arbitrator had fallen asleep during a hearing and had demonstrated hostility throughout the proceedings. Having conducted a thorough, context-sensitive analysis, the Court found that the arbitrator's conduct did not meet the objective test for apparent bias and concluded that the arbitrator's strongly



worded comments constituted firm case management within an exceptionally acrimonious arbitration, and could not be accepted as either uncalled for, as prejudgment or predisposition with a closed mind. The judgment reinforces the principle that Hong Kong courts will not lightly intervene in arbitral proceedings and will assess an arbitrator's conduct within the full context of the case.

Conclusion

The developments in Hong Kong arbitration thus far during 2025 paint a picture of Hong Kong as a mature, dynamic, and consistently reliable jurisdiction. The establishment of IOMed, the enduring success of the Interim Measure Arrangement and a series of sophisticated and commercially sensible court judgments all serve to reinforce Hong Kong's pro-ADR, pro-arbitration ethos and its position as a premier global choice for international dispute resolution.

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