

[New alliance to enhance legal protection along China's Belt and Road](#)



Dubai International Financial Centre Courts (DIFC Courts) in tie-up with University of Oxford's China Centre to protect global business along the \$5 trillion Belt and Road Initiative (BRI)

Dubai, United Arab Emirates; 27 May 2018: The Dubai International Financial Centre's Dispute Resolution Authority (DRA), which incorporates the DIFC Courts, signed a unique memorandum with the University of Oxford's China Centre to pool expertise on the legal certainty, protection and contract enforcement needed for Chinese and international investors to secure participation in China's five trillion-dollar Belt and Road Initiative.

The accord will focus on ways to protect large-scale investments through linking China and the world's court systems, and on enabling legal, judicial and arbitral systems to keep pace with the opportunities created by the BRI and other ventures. Through joint projects, such as research and reports, the collaboration aims to enhance understanding of the legal and regulatory challenges faced by businesses and courts in the 70 or so BRI countries, and to pave the way for effective dispute resolution and enforcement of court judgments along BRI's trade routes.

Speaking at the signing event at the University of Oxford, Chief Justice of the DIFC Courts and Head of the DRA, Dr Michael Hwang, sketched out the changing landscape of international enforcement for court judgments and arbitral awards within the BRI, and the recently announced international commercial courts to be set up in Beijing, Xian and Shenzhen. Chief Justice Michael Hwang urged BRI countries to seek knowledge of each other's procedures and, where possible, to collaborate through memorandum agreements on express recognition and enforcement of judgments. As investment flows into the BRI region, it becomes ever-more urgent to find practical solutions to enable contracting parties to solve complex commercial conflicts. In particular, BRI countries needed to find ways in which judgments and awards issued from each BRI country or territory could be enforced in other BRI countries and territories, and gathering such knowledge is only the first step hopefully to legal convergence of some degree within the BRI region.

A 2016 survey by Lexis Nexis and the China Institute of Corporate and Legal Affairs reported that half of respondent Chinese firms engaged on BRI deals face legal challenges. To date, projects worth an estimated US\$350 billion have been financed, mainly by Chinese development banks. To encourage foreign investment, robust dispute resolution systems and transnational enforcement mechanisms must be in place to foster investor confidence and legal certainty.

Enforceability of judgments across multiple judicial systems, and guarantees that money can be collected after winning a case in a foreign court, are critical enablers of international commerce. As one of the world's leading commercial courts, operating in the English-language and using common law principles for over ten years, DIFC Courts has a unique track record of fast-track connectivity and technology-enabled dispute resolution, such as virtual courts.

Launching the collaboration at the China Centre, **Michael Hwang SC, Chief Justice, DIFC Courts and**

Head of the DRA, said: *“We are joining forces with the University of Oxford to look at practical solutions for the future of dispute resolution for one of the world’s most ambitious projects. As goods and services travel across the world along the BRI, they will seamlessly cross borders – so we shall need a seamless legal platform, based on legal convergence, that can start to do the same. This aim can partly be fulfilled by the near-universality of the New York Convention for recognition and enforcement of international arbitral awards. But the ideal legal platform should also include a robust regime of enforceable court judgments outside the boundaries of the issuing court. The answer is to make sure that when a dispute is resolved, court systems can deliver a judgment that can be executed across the full extent of the belt and road. Building up connectivity and enforceability will remove many of the roadblocks that could threaten the success of the Belt and Road Initiative.”*

Professor Rana Mitter, Director of China Centre University of Oxford, said: *“We are pleased to sign this important memorandum with DIFC Courts. The opportunities of the Belt and Road Initiative are substantial, but so are the potential legal complexities and risks. I am confident that our work alongside DIFC Courts will make an essential contribution to enabling and safeguarding both Chinese and international commercial interests as this remarkable initiative evolves and matures.”*