

New regulation requiring vessels to use compliant fuel within Hong Kong waters gazetted

The Government today (July 6) published in the Gazette the Air Pollution Control (Fuel for Vessels) Regulation (the Regulation), which requires all vessels to use compliant fuel within the waters of Hong Kong so as to reduce their emissions and improve air quality.

The Regulation will be tabled at the Legislative Council next Wednesday (July 11). If approved by the Council, the Regulation will take effect on January 1, 2019.

A spokesman for the Environmental Protection Department said that the Government has been implementing the Air Pollution Control (Ocean Going Vessels) (Fuel at Berth) Regulation (the Fuel at Berth Regulation) (Cap. 311AA) since July 1, 2015, requiring ocean-going vessels (OGVs) to switch to compliant fuel while berthing in Hong Kong to reduce their emissions. The Regulation seeks to extend the mandatory use of compliant fuel in OGVs while at berth to all vessels (including OGVs and non-OGVs) within the waters of Hong Kong, irrespective of whether they are sailing or berthing. Compliant fuel required by the Regulation includes low-sulphur marine fuel (sulphur content not exceeding 0.5 per cent), liquefied natural gas or any other fuel approved by the Director of Environmental Protection, which has the same requirements as set out in the current Fuel at Berth Regulation.

"The type of vessels affected by the Regulation is mainly OGVs that are using heavy fuel oil (with an average sulphur content of 2.6 per cent). Other non-OGVs (including river trade and local vessels) normally use locally supplied marine light diesel with a sulphur content not exceeding 0.05 per cent and therefore are not affected by the Regulation.

"When the Regulation comes into effect, OGVs that are using heavy fuel oil are required to switch to compliant fuel before entering Hong Kong waters. The owner and master of an OGV are required to record the date and time of fuel switching and keep the relevant records for three years. If an OGV uses technology that can achieve the same or less emission of sulphur dioxide (SO₂) when compared with using low-sulphur marine fuel, the OGV may be exempted from using compliant fuel. As the Regulation will cover the scope of control under the current Fuel at Berth Regulation, upon the commencement of the Regulation, the Fuel at Berth Regulation will be repealed," the spokesman added.

When the Regulation comes into effect, except for specified vessel types as set out in the Regulation, the master and owner concerned of any vessel using non-compliant fuel within the waters of Hong Kong will be liable to a maximum fine of \$200,000 and imprisonment for six months. Shipmasters and ship owners of OGVs who fail to record or keep the required particulars will

also be liable to a maximum fine of \$50,000 and imprisonment for three months.

It is anticipated that implementing the Regulation will reduce about 6,340 tonnes of SO₂ and 710 tonnes of respirable suspended particulates from marine vessels in 2020 as compared with 2015 emission levels. This will help improve air quality and reduce health risks for the population. The implementation of the Regulation will also enhance regional collaboration with the Mainland on the establishment of a domestic emission control area in the Pearl River Delta.

Property owner fined over \$50,000 for not complying with removal order

A property owner was fined \$56,200 for failing to comply with a removal order under the Buildings Ordinance (Cap 123) (BO) at Kwun Tong Magistrates' Courts last month.

The order involved illegal structures erected over the rear yard on every floor from ground floor to the top floor of a four-storey domestic building at Battery Street, Yau Ma Tei, in Kowloon. The aggregate size of the unauthorised building works (UBWs) is around 75 square metres and the height is around 15 metres. As the UBWs were erected without prior approval from the Buildings Department (BD), contravening the BO, a removal order was served on the owner under section 24(1) of the BO.

As the owner failed to remove the UBWs upon the expiry of the removal order, he was prosecuted by the BD. The owner was convicted in Kwun Tong Magistrates' Courts on June 12.

"UBWs may adversely affect the structural and fire safety of a building, leading to serious consequences. Owners should seek professional advice before carrying out any building works in their premises," a spokesman for the BD said today (July 6).

Pursuant to section 40(1BA) of the BO, any person who, without reasonable excuse, fails to comply with an order served on him under section 24(1) of the BO, commits an offence and is liable on conviction to a fine of \$200,000 and to imprisonment for one year, as well as a further fine of \$20,000 for each day that the offence has continued.

Speech by CE at 2018 Colloquium on International Law (English only) (with photos)

Following is the speech by the Chief Executive, Mrs Carrie Lam, at the 2018 Colloquium on International Law today (July 6):

Commissioner Xie (Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong Special Administrative Region, Mr Xie Feng), Mr Hu (Counsellor of the Department of Treaty and Law of the Ministry of Foreign Affairs, Mr Hu Bin), Mr Chen (Deputy Director of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (HKSAR) Mr Chen Dong), Henry (Founding Member of the Asian Academy of International Law Dr Henry Cheng), Judge Xue (Vice President of International Court of Justice, Ms Xue Hanqin), Anthony (Chairman of the Asian Academy of International Law, Dr Anthony Neoh), Professor Huang (President of the Chinese Society of International Law, Professor Huang Jin), ladies and gentlemen,

Good morning. I'm delighted to join you today for the second annual Colloquium on International Law, to have the privilege of speaking to such a distinguished group of leaders from the legal, business, academic and governmental sectors.

I still remember vividly the day when I addressed the 2017 Colloquium luncheon last year, which was just seven days into my job as the Chief Executive of the Hong Kong Special Administrative Region. Before I knew it I am already in my second year. Looking back, thankfully my first year was largely rewarding for me personally and, I trust, for Hong Kong. And I can assure you, ladies and gentlemen, we're just getting going. The best of Hong Kong is yet to come.

It helps enormously that we can count on the drive and purpose of organisations such as the Asian Academy of International Law and the Chinese Society of International Law, the organisers of today's Colloquium. The Colloquium has become an effective platform for in-depth exchanges on topical issues of international law, which are also issues that matter to Hong Kong. "Sustainable Connectivity: Go Green, Deal Clean and Talk Peace", the theme of this year's two-day Colloquium, certainly captures some of our most pressing concerns and promising opportunities.

It is clear that the world's interest in connectivity is rising. The APEC, the ASEAN, the G20 and the European Union have all placed connectivity on their agenda, and for good reason. Enhancing connectivity is a key to unlock many opportunities, as it smooths the flow of technology and ideas, enhances the mobility of labour and capital, lowers trade costs, and expands global access to resources. A 2013 report from the World Economic Forum,

"Enabling Trade, Valuing Growth Opportunities", suggested that global GDP could increase by US\$2.6 trillion if all economies managed to reduce border administration procedures and improve infrastructure just halfway to global best-practice levels.

The Belt and Road Initiative announced by President Xi Jinping five years ago is built exactly on connectivity. For the Belt and Road, connectivity is the innovative engine that will power sustainable progress on a multilateral and multilevel basis. At the 2017 Belt and Road Forum in Beijing, Secretary-General of the United Nations António Guterres highlighted the common roots of the Belt and Road Initiative and the 2030 Agenda for Sustainable Development of the United Nations. Mr Guterres said, and I quote, "While the Belt and Road Initiative and the 2030 Agenda are different in their nature and scope, both have sustainable development as the overarching objective. Both strive to create opportunities, global public goods and win-win co-operation. And both aim to deepen connectivity across countries and regions: connectivity in infrastructure, trade, finance, policies and, perhaps most important of all, among peoples."

Alongside the outsized rewards of connectivity, a more connected world also creates considerable challenges. Environmental pollution, loss of biological and cultural diversity, exploitation of workers, worsening inequality, systemic financial crises, to name but a few, have become facts of life in our increasingly connected world.

As the Chief Executive, I can assure you that Hong Kong is responding to those growing concerns. For the next few minutes, I'd like to focus on three areas: green finance, anti-corruption and dispute resolution.

The Paris Agreement, which comes into force in 2020, is spurring institutional investors to integrate environmental considerations into their investment portfolios. And green finance has gained fresh momentum thanks to the G20, which, under China's Presidency, established the Green Finance Study Group. Not surprisingly, global demand for green financial products is rising rapidly, with green bonds by far the most prevalent worldwide. In the first quarter, sovereign issuances in particular played a critical role in the green bond market, accounting for about one third of issuances in both developed and emerging markets.

The annual green bond issuance in 2017 alone grew well over 80 per cent, attracting many jurisdictions to the flourishing green finance market. My Government is no exception. We are fully committed to Hong Kong's rise as a green finance hub, with a keen interest in the markets within the Guangdong-Hong Kong-Macao Bay Area and the economies along the Belt and Road. We are also developing local expertise in green finance certification services.

Just last month, we launched a Green Bond Grant Scheme to stimulate the development of green finance. It subsidises eligible green bond issuers in obtaining certification under our local Green Finance Certification Scheme. We also plan to offer a Government Green Bond Programme with a borrowing ceiling of US\$12.8 billion (HK\$100 billion) to finance government projects

with environmental benefits. It would become one of the world's largest, if not the largest, sovereign green bond issuances. At the same time, we will explore other opportunities that position Hong Kong as a regional hub for green finance.

More than a green environment, we need a clean community if we are to remain a prosperous economy through this 21st century. Corruption stifles free and fair competition. It also leads to uncertainty regarding economic transactions, which only serves to dampen investment. Corruption, in short, is a major hurdle to sustainable development.

Few economies tackle corruption as comprehensively and as successfully as Hong Kong does. And you need not take my word for that. In the Heritage Foundation's 2018 Index of Economic Freedom, which Hong Kong has topped for the 24th year in a row, the Foundation had this to say about Hong Kong, and I quote, "A high-quality legal framework provides effective protection of property rights and strongly supports the rule of law. There is little tolerance for corruption, and a high degree of transparency enhances government integrity."

To be sure, this was not always the case. Indeed, Hong Kong was riddled with corruption until the establishment of the Independent Commission Against Corruption, or the ICAC, in 1974. The importance of the ICAC is underpinned by the Basic Law, Hong Kong's mini-constitution. The Basic Law states that the ICAC will function independently and be accountable to the Chief Executive of Hong Kong.

The ICAC's effectiveness is recognised internationally. Hong Kong, after all, is consistently ranked among the least-corrupt places in the world. In Transparency International's latest Corruption Perceptions Index, Hong Kong rose from 15th least-corrupt place in 2016 to 13th last year. That's on par with Australia and Iceland, and ahead of such advanced nations as Austria, Belgium, the United States and Japan.

The ICAC, which enjoys both structural and operational autonomy, has been cited as one of the world's "best-known specialised anti-corruption institutions" by the OECD. The OECD also reported that many countries, "inspired by the success story of Hong Kong's anti-corruption commission and its three-pronged approach to fighting corruption", have established their own specialised, anti-corruption bodies.

Hong Kong, I should add, is a member of the Anti-corruption Initiative for Asia and the Pacific, led by the Asian Development Bank and the OECD. We have endorsed the Initiative's Anti-Corruption Action Plan for Asia and the Pacific, and we will continue to work closely with its counterparts around the world.

In a more connected world, the flow of people and trade soars and with it the opportunities for cross-border business. That in turn increases the possibilities of disagreements, including disputes between the rights of a foreign investor and the freedom of a state to protect its environment.

Today, a multi-tier dispute-resolution clause is quite common in investment treaties, with mediation as an intermediate stage and arbitration as the last resort in resolving investor-state disputes. In such cases, both the foreign investor and the state prefer a neutral place of arbitration. That is because of the perceived bias if the proceedings are conducted either in the foreign investor's country or the host state.

To that, I say: Welcome to Hong Kong. We offer numerous advantages as a neutral venue for dispute resolution. Let me note several of these now.

To start with, our well-developed legal system is rooted in the common law, which has been practiced here for more than 150 years. It's familiar to the international community, providing sound legal protection for investments and property ownership, as well as a dispute-resolution regime of international standards.

Our judiciary is independent and well respected, ensuring that it is both mediation- and arbitration-friendly. Eminent jurists from other common law jurisdictions may be appointed to our Court of Final Appeal as non-permanent judges. Recent examples include the Right Honourable the Baroness Brenda Hale of Richmond, President of the United Kingdom's Supreme Court, and the Right Honourable Beverley McLachlin, former Chief Justice of Canada.

Then there's our substantive pool of independent local and overseas legal professionals. They bring us international perspective, multilingual capabilities and extensive experience in handling cross-border transactions of all kinds.

Our mediation regime strengthens people-to-people connectivity. We have dedicated mediation legislation and an industry-led accreditation body for mediators. Its disciplinary functions ensure the quality of mediators and consistency in training and accreditation standards. It also boosts public confidence in our mediation services.

And, given our location at the southern gateway of Mainland China, in the heart of Asia and within a five-hour flight radius of half the world's population, Hong Kong serves as a central bridge between the Mainland and the rest of the world. It helps, too, that our heritage and the culture influences that continue to shape us today are a welcome fusion of East and West.

Riding on the above advantages, Hong Kong is uniquely positioned as a deal maker and dispute resolver through the provision of our professional services, which are aligned with global best practices. To enhance our status as a leading centre of international legal and dispute resolution services in the Asia-Pacific region, my Government has formulated a steadfast policy to promote our services at the international level. In particular, to cater for the growth of commercial activities brought about by the Belt and Road Initiative which entails an increasing demand for a fair, effective and efficient international dispute resolution mechanism, the legal profession and the dispute resolution professional sector, with the policy support of

the Government, are actively establishing an online dispute resolution platform. This initiative seeks to make use of innovative technology to provide a safe, reliable and credible platform to provide enterprises in various economies along the Belt and Road with convenient and cost-effective online dispute resolution.

Let me add that, a year ago, Hong Kong signed the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Bay Area. Then, last December, we signed the Arrangement between the National Development and Reform Commission and the HKSAR Government for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative. Both agreements contain explicit reference to reinforcing Hong Kong's status as a regional hub for international legal and dispute-resolution services.

Ladies and gentlemen, the Belt and Road Initiative is an inclusive and truly global initiative. Some 80 countries and international organisations spanning Asia, Europe and Africa are committed to the ambitious plan. To date, more than 270 agreements or deliverables have been entered into among the economies along the Belt and Road corridors. These projects are transnational, huge in scale and complex in their needs and goals. They range from finance, infrastructure and trade and commerce, to information technology and digital development. They also embrace sectors ranging from agriculture and healthcare to environmental protection and conservation. To fully capitalise on the vast promise of the Belt and Road Initiative, we must ensure that its connectivity is wholly sustainable, built to last, and engineered to flourish. That, ladies and gentlemen, is one challenge I'm sure we all look forward to realising.

On that note, may I wish you all a rewarding Colloquium, and the best of business through this year and long down the sustainable road. Thank you very much.



[SJ to visit Washington, DC and New York](#)

The Secretary for Justice, Ms Teresa Cheng, SC, will visit Washington, DC, and New York, the United States (US), from July 11 to July 17 to promote Hong Kong as an international legal and dispute resolution services centre in the Asia-Pacific region and update leading figures in various sectors on Hong Kong's latest developments.

During her stay in Washington, DC, Ms Cheng will speak at the American University Center on International Commercial Arbitration on Hong Kong's role in international arbitration. She will also speak at Georgetown University Law Center on the dynamics of international legal norms. In addition, she will attend the Society of International Economic Law Biennial Conference and deliver a speech. She will also join a roundtable meeting on the implementation of "one country, two systems" and the rule of law in Hong Kong.

On July 15 (Eastern Standard Time), Ms Cheng will proceed to New York, where she will address a business luncheon on Hong Kong as an ideal hub for deal-making in Asia under "one country, two systems". She will also attend a roundtable discussion hosted by the Hong Kong Economic and Trade Office in New York and the Asia Society, as well as join a talk hosted by the International Chamber of Commerce on the latest trends in international dispute resolution.

During her visit, she will meet with senior government officials and representatives from various sectors, including those from the international arbitration sector and think tanks.

Ms Cheng will conclude her visit on July 17 (Eastern Standard Time) and arrive in Hong Kong on July 18 (Hong Kong time).

[Temporary traffic and transport arrangements on North Lantau Highway](#)

The Transport Department (TD) today (July 6) reminded the public that temporary traffic arrangements will be implemented on the North Lantau Highway this Sunday (July 8) from 12.30am to 5.30am to facilitate a road trial.

The temporary traffic arrangements will mainly include:

(I) Lane closures

(1) The section of two traffic lanes of North Lantau Highway Kowloon-bound from a point about 800 metres west of its junction with the slip road leading to Siu Ho Wan Depot to a point about 300 metres west of the same junction will be temporarily closed to all vehicular from 1am to 5.30am on July 8; and

(2) The section of two traffic lanes of North Lantau Highway Tung Chung bound from a point about 450 metres west of its junction with the slip road leading to Siu Ho Wan Depot to a point about 1 600 metres west of the same junction will be temporarily closed to all vehicular traffic from 12.30am to 5.30am on July 8.

(II) Temporary speed limit

From 12.30am to 5.30am on July 8, the following road sections will be temporarily reduced from 110 kilometres per hour to 80 km/h:

(1) The section of eastbound carriageway of the North Lantau Highway from a point about 3 000 metres east of its junction with Airport Road to a point about 4 100 metres east of the same junction; and

(2) The section of westbound carriageway of the North Lantau Highway from a point about 5 400 metres east of its junction with Airport Road to a point about 3 600 metres east of the same junction.

Appropriate traffic signs will be erected on-site to guide motorists. The TD anticipates that the traffic on the roads concerned will be affected during the period. In case of traffic congestion, motorists should exercise tolerance and patience and follow police instructions. The TD and the Police will closely monitor the traffic situation and implement appropriate measures whenever necessary. Members of the public are advised to stay alert to the latest traffic news on radio and television.

Information on the temporary traffic and transport arrangements is also available at the TD's website (www.td.gov.hk). Please call 1823 for enquiries.