

Investment Promotion and Protection Agreement between Hong Kong and United Arab Emirates enters into force

The Investment Promotion and Protection Agreement (IPPA) between Hong Kong and the United Arab Emirates (UAE) will enter into force on March 6, bringing the total number of IPPAs in force between Hong Kong and foreign economies to 21.

Under the IPPA, the two sides undertake to provide investors of the other side with fair, equitable and non-discriminatory treatment of investments; compensation in the event of expropriation of investments; and the right to free transfers abroad of investments and returns. The IPPA also provides for settlement of investment disputes under internationally accepted rules, including arbitration. The IPPA will enhance the confidence of investors, expand investment flows between Hong Kong and the UAE and further strengthen the economic and trade ties between the two places.

The IPPA was signed in June 2019. Both sides have completed their respective internal procedures required for the entry into force of the IPPA.

The IPPA with the UAE is one of the four IPPAs that this term of Government has signed since taking office in July 2017. The other three are the investment agreements with the Association of Southeast Asian Nations and Australia, which have already entered into force, and the one with Mexico respectively.

Apart from the economies mentioned above, the other foreign economies with which Hong Kong has signed an IPPA are Austria, the Belgo-Luxembourg Economic Union, Canada, Chile, Denmark, Finland, France, Germany, Italy, Japan, Korea, Kuwait, the Netherlands, New Zealand, Sweden, Switzerland, Thailand and the United Kingdom. All the IPPAs, except for the one with Mexico, have entered into force.