

Maritime Dispute Resolution in Hong Kong: Strengthening Confidence Through Innovation and Jurisprudential Clarity

Author: Edward LIU

As global trade recalibrates amid fragile geopolitics and evolving regulatory landscapes, HongKong continues to consolidate its status as a leading centre for maritime dispute resolution. Over the past 12months, a number of defining cases and legislative developments have not only reaffirmed the city's reputation for procedural fairness and judicial sophistication but also underscored its unique ability to bridge common law certainty with regional accessibility.

The combination of modernised arbitral practice, court-driven doctrinal clarification and pragmatic handling of cross-border shipping disputes has given clients increasing confidence to seat their arbitrations and litigations in HongKong. In particular, four recent arbitral decisions have become touchstones for the city's role in shaping the next phase of Asian maritime law.

The first, China's inaugural foreign maritime adhoc arbitration, demonstrates that Shanghai and HongKong now interact symbiotically within Mainland of China's progressive arbitration framework. In that 2024case, two HongKong-incorporated parties conducted adhoc proceedings seated in Shanghai under English law and the HongKongMaritime Arbitration Group (HKMAG) Rules, culminating in a full award for the shipowner inJanuary2025. The significance of that outcome transcends the immediate commercial dispute: it illustrated that Mainland of China tribunals and HongKong practitioners can seamlessly co-operate in English law, bilingual proceedings, marking a tangible step in the regionalisation of HongKong's maritime arbitration model.

A second milestone came with the pair of concurrent high-stakes arbitrations in which the HongKong seat and HKMAG procedure were chosen to resolve complex post-sanctions charterparty disputes involving multi-jurisdictional enforcement challenges. The arbitral tribunal's twin procedural orders struck out new claims exceedingUSD150million on the ground that they fell outside the scope of the original notices of arbitration. The ruling confirmed that HongKong tribunals are prepared to enforce procedural discipline even in the most complex multi-forum disputes – an essential reassurance for owners and managers navigating volatile geopolitical conditions such as Russia-related sanctions.

The April2025 maritime arbitration award in favour of aCanadian charterer added another layer of jurisprudential refinement. The maritime tribunal held that the vessel was unseaworthy at sailing and departed from the conventional market value measure of damages, instead adopting a project-sensitive loss model suitable for time-critical project cargo. By recognising that disponent owners may be directly liable for upstream management failures and confirming the *suigeneris* nature of deviation, the award harmonised HongKong arbitral reasoning with modern English authorities such as *TheSur[2019]1Lloyd'sRep527*. The case reaffirmed HongKong's status as a jurisdiction where maritime law continues to evolve through principled adaptation rather than rote adherence, offering commercial parties predictability coupled with contextual realism.

Most recently, an HKIAC-administered maritime arbitration in2025 involving a Mainland Chinese shipowner brought further confidence to the industry. The tribunal held that a vessel arrested

in Bangladesh due to the charterer's conduct remained on-hire for the entire period of detention, awarding substantial compensation and, crucially, retaining jurisdiction over potential losses still unfolding in foreign proceedings. That forward-looking approach signalled HongKong's willingness to accommodate contingent claims and affirmed the HKIAC's flexibility when addressing multi-jurisdictional risk. It also mirrored HongKong courts' wider insistence that arbitration remain adaptable to commercial reality, especially where parallel litigation or enforcement actions arise abroad.

Beyond individual arbitrations, 2025 has been a formative year for HongKong maritime jurisprudence at the court level. In *CivIU*[2025]HKCFI4397, the Court of First Instance resolved a long-standing uncertainty about appeals "on a question of law" under Schedule 2 to the Arbitration Ordinance. By holding that a "question of law" is not restricted to HongKong law issues and may include the tribunal's application of foreign (often English) law, the court removed a perceived barrier that had discouraged parties from choosing HongKong when English law governed their contracts. The judgment eliminates the misconception that foreign law disputes are immune from Schedule 2 appeals, thereby strengthening HongKong's alignment with London while preserving autonomy and the high threshold for appellate intervention. For the maritime sector, which nearly always relies on English law, this clarification was timely and transformative.

These developments collectively capture a maturing ecosystem: HongKong's maritime arbitrations are exhibiting procedural innovation; the courts are providing doctrinal certainty without encroaching on arbitral finality; and practitioners are increasingly integrating common law methodology with bilingual and cross-border practice. The result is a hybrid model of dispute resolution capable of accommodating both the technical demands of shipping law and the commercial imperatives of Asian trade.

Looking ahead, HongKong's government has announced a comprehensive review of its Arbitration Ordinance, including the possible recalibration of rights of appeal in line with reforms to the UK Arbitration Act and Singapore's review of its own legislation. Provided reforms maintain the city's pro-arbitration balance, respecting party autonomy while allowing the correction of clearly wrong awards, HongKong will remain among the select jurisdictions able to assure both finality and accountability in maritime arbitration.

Against this backdrop, the city's maritime litigation docket continues to demonstrate robust confidence from international shipowners, P&I clubs and charterers. The growing convergence between court practice and arbitral process, the HongKong judiciary's consistent predictability, and the increasing sophistication of bilingual advocacy teams collectively reinforce HongKong's position as the natural choice for resolving high-value, multi-jurisdictional maritime disputes in Asia.

While these recent cases showcase the skill and international outlook of HongKong's maritime lawyers, their broader meaning lies in how they advance the integrity of HongKong's dispute resolution framework itself, one that couples technical excellence with judicial restraint, and regional connectivity with global credibility. As the global shipping industry continues to navigate headwinds from unresolved geopolitical tensions, including the stalled progress of the IMO greenhouse gas framework and the renewed US-China trade frictions, these qualities will ensure that HongKong remains not merely an avenue for arbitration but a jurisdiction whose jurisprudence continues to shape the evolution of international maritime law amid global uncertainty.