

## REPORT

### **8<sup>TH</sup> TRAINING SESSION OF CHINA-AALCO EXCHANGE AND RESEARCH PROGRAM ON INTERNATIONAL LAW**

BY DR. AVANTI PERERA, DEPUTY SOLICITOR GENERAL

23<sup>rd</sup> June 2025 – AM

#### ***Opening Ceremony***

The program commenced with an opening ceremony held at the main venue of the training sessions – Taikang School of Advanced Study, Beijing. The welcome address was delivered by the Dean, Department of International Law of the China Foreign Affairs University (CFAU) and was followed by a speech by Ms. Xiaoxia REN, Counsellor of the Department of Treaty and Law, Ministry of Foreign Affairs. This speech placed emphasis on the evolution of the Asian African Legal Consultative Organization (AALCO) over the last 10 years and its aims, as well as the significance of the 80<sup>th</sup> anniversary of the UN and the need to preserve multilateralism, especially through the five principles of peaceful coexistence (mutual respect for sovereignty and territorial integrity, mutual non-aggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence) and the concept of Common But Differentiated Responsibilities (CBDR), in view of the spread of increasing unilateralism in today's world.

The highlight of the ceremony was the keynote speech by Dr. Kamalinie Pinitpuvadol, Secretary-General of AALCO, titled *"The Role of Regional Legal Organizations in Strengthening International Law: The Experience of AALCO"*. He gave an overview of AALCO and touched on subjects such as the contribution to the development of international law by developing countries, how AALCO was one of the most tangible results of the Bandung Conference, the establishment of the Hong Kong International Arbitration Centre (HKIAC) for dispute resolution centre and the role of China in supporting AALCO. The Secretary-General described the objectives of the program as not being merely training, but an opportunity to foster the relationship between member states and the host state, and encouraged participants to explore how our work will contribute to building a more just, fair, inclusive global legal order.

Thereafter, participants representing two countries were invited to make comments on their expectations of the program. The delegate from Indonesia stressed on cooperation instead of confrontation, how this collaboration would enrich him personally and professionally and his pride that Indonesia was the birthplace of AALCO. The delegate from Cameroon made reference

to the need for a more just and rational system of global governance, gratitude to China's commitment and putting the knowledge received from this training to good use back home.

This was followed by an introduction to the CFAU, its programmes and its faculty, as presented by Dean, Department of International Law, CFAU.

The opening session concluded after each of the participants including myself provided a self-introduction. I enlightened the gathering about the capacity in which I represent Sri Lanka, the role of the Attorney General and my interaction with international law as part of my official duties.

23<sup>rd</sup> June 2025 - PM

***International Dispute Settlement: With Particular reference to the International Court of Justice and the International Organization for Mediation – by Prof. Sienho YEE, Professor of International Law, China Foreign Affairs University***

Introduction to diplomacy: both micro diplomacy and macro-diplomacy. What we normally study is micro ideas, but the more important concept is macro-diplomacy. De-colonization falls within the purview of the macro, whereas case brought before the International Court of Justice (ICJ) constitute micro disputes. Dispute settlement is not about practising before court, but how to interpret the law. The ICJ first settles how to apply the law at the macro level and then a specific dispute is settled at the micro level.

Sources of law raises the question of whether we think law comes from God, Nature, or a higher authority? We are in the age of positivism where law is derived from what someone else has posited. However, behind Article 38 of the ICJ Statute, there is free will and self-determination. In fact, sources of international law do not appear in ICJ Statute, but in the UN Charter. The nature of law is consensus-driven.

Identifying treaty-based law can be achieved by the Interpretation of treaties, i.e. by looking at the text, context, general purpose and ordinary meaning. International customary law is by identifying the practice of States. When identifying general principles of law, the ICJ will look at macro level general principles. What is used in a national system is thereafter internationalised. In the case of judicial decisions, the ICJ considers only its own decisions. Teachings of jurists may be cited, but are considered secondary.

Subjects of international law are not only States but include individuals and NGOs. Participation, legal relations and implementation issues connected with ICJ proceedings and decisions were discussed, as was liability under the Articles of Responsibility of States in Wrongful Acts (ASIRWA).

The focus of international relations changed from when, during the peak of the Cold War the emphasis on co-existence, but thereafter transformed into co-operation and, consequent to the

fall of the Berlin Wall, into co-progressiveness. In co-progressiveness, there are no rights and obligations, but advancement is measured by comparison with the past and self-regulation.

What is a legal dispute? A series of specific issues for decision where parties are positively opposed and have awareness.

What is the subject matter of disputes? The interpretation or application of a treaty (*Legality of Nuclear Case*), the status of a situation or a right or obligation (*Chagos Island Case*), or state responsibility (liability) and structural points (*Hungary v. Slovakia Case*). The following were referred to under the topic of Inter-State dispute settlement:

- Peaceful settlement of disputes; UN Article 2(3); refrain from use of force against territorial integrity or political independence; Kellogg-Briand Pact, war is prohibited
- Cardinal principle of dispute settlement: consent principle (agree to the application of the law)
- UN Charter, Article 33(1); first seek settlement by negotiation, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies and instruments, other peaceful means of choice
- Essential features: political/diplomatic means, judicial decisions or arbitral settlement. (In mediation, conciliation, the parties have control over the final result, as opposed to arbitral and judicial decisions)
- 1982 Manila Declaration on the Peaceful Settlement of International Disputes

Inter-State dispute settlement is via reference to the ICJ, the IOMEd (Media Rules, State-to-State mediation, other matters) and other systems such as the UNCLOS and WTO. There can be private disputes such as on commercial projects, Investor-State disputes and human rights disputes.

The idea of diplomatic protection: the state and private rights, individualised case-procedural only or act becomes final. Policy and pattern play a role in this.

There are also broader issues such as the landscape of a case before the ICJ, finding a lawyer, jurisdiction, institution, provisional measures, interpretation of judgments, revisions of judgment, intervention, consent to court jurisdiction as a separate agreement and the additional act of filing a separate declaration.

24<sup>th</sup> June 2025 - AM

***Community with a Shared Future for Mankind – by Prof. SUN Jisheng, Professor of International Studies, China Foreign Affairs University***

The concept of “Community with a Shared Future for Mankind” is an important idea proposed by China’s current President, Xi Jinping, It is premised on socialism with Chinese characteristics and

is a core concept of President Xi's *Thoughts on Diplomacy* and is, therefore, a goal of China's foreign policy. The lecture focussed on its background, theoretical and practical basis, meaning and contribution.

Why put forward such a concept and idea? Because the world needs new ideas and thoughts. These are times where there are profound changes unseen in a country. We are interconnected and interdependent because of fast pace of economic globalization and scientific and technological advancement.

Therefore, a share common future means shared responsibilities, shared interests, shared time, same achievement and shared loss. As President Xi has said, the future of every country is linked, as we are a harmonious family. However, there are many challenges. Security challenges such as geopolitical competition – return of traditional security and regional conflicts, risk of fragmentation and division, spill-over effects on to food security, energy security, finance, industrial chains, refugee issues, domestic governance (different from post-cold war, before globalisation), economic security and health security brought on by pandemics, etc. In June 2023, Europe proposed its first European Economic Security Strategy.

Yet, old mentality and ideas exist: power politics, unilateralism, hegemonic thinking, law of the jungle and winner takes all. In fact, cold-war mentality still prevails when we witness today's protectionism, unilateralism, isolationism, de-globalisation, nationalism and populism.

However, in 2013, President Xi made a speech at the Moscow State Institute of International Relations, hinting at this new concept. It is essential in a world with fast development of science and technology which influences weapons, methods of war, drones, how to govern, ethics, and liability. Global issues continue to grow – financial crisis, trade and investment disputes, WTO faces challenges (eg. the appellate body was suspended in 2019 because the US did not cooperate in selection of judges).

There are also non-traditional security threats – climate change, infectious diseases (SARS, H1N1, H7N9, Ebola, Zila, Covid and their spill-over effects to the economy, policy, society, culture. Climate change is seen in the rise of global warming and the rise of sea-levels. New challenges include cyber security outer space, polar development, deep sea, etc. Cyber-security concerns cybercrimes, privacy, intellectual property and governance.

The 2019 China-France Global Governance Forum focussed on the governance deficit, trust deficit, peace deficit and development deficit we face, the 2018 APEC CEO Summit demonstrated how we are at crossroads without knowing which direction we are heading in; whether we should adopt cooperation or confrontation, openness or closing, win-win progress or a zero-sum game.

Therefore, we must acknowledge the major features of the world today, that is -

1. We live in a global community
2. Facing traditional and non-traditional security threats
3. Ideas at collision
4. Fast development of science and technology
5. We still face global challenges

Given the above background, the relationship between China and the rest of the world is significant. The history of China from the time when the People's Republic of China was founded in 1949 is particularly important. At the time, it was a very poor country. The 1960s saw the Cold War and Korean War, in 1971 China returned to the UN, in 1978 there was normalisation between China-US and China opens up giving way for the economy to develop, in the 1980s China applied to enter the WTO, in 2001 China entered the WTO, in 2008 China hosted the Olympic Games and in 2010, Shanghai hosted the Expo. Therefore, two miracles happened during this period – enduring social stability and rapid economic growth.

Domestic achievements in China saw improvement in livelihood, social and cultural progress, more confidence in China's path, theory, system and culture. Internationally too, China's influence has increased, especially after the 2008 financial crisis and G20 London Summit. Statistics reflect the magnitude of the growth. Between 1971-2018, the GDP difference between China and US grew from 3% of global development to 16% of global development, China contributes to 30% of global economic growth and China has lifted more than 800 million people out of poverty, with 400 million now being classified as middle-income. Reference was also made to China's position in relation to the UN 2030 SDGs. China's transformation stands in stark contrast to misconceptions about China.

China sees a global community of shared community. It accommodates the legitimate concerns of other countries whilst advancing one's own pursuits and thereby achieves common progress and works for common interest. In this regard, some of President's Xi's past speeches were alluded to: Speech in Moscow (2013) and at the UN General Debate at the 70<sup>th</sup> anniversary of the UN (2015), at which he stressed on how to build partnerships, foster security, achieve development, cultural exchanges and the ecological system. In 2017, at the UN Headquarters, President Xi proposed the building of a "shared future for mankind" and this same concept was thereafter reiterated at bilateral and multi-lateral meetings.

While the concept carries several connotations, there are five pillars which serve as the blueprint of shared future of mankind:

- To build a world that enjoys lasting peace – We must respect each other, there must be peaceful development, and we must support the UN to play a better role. China proposes building a new type of development based on cooperation

- To build a world where all are safe and secure - No country can pursue security alone, it should be common, comprehensive, cooperative and sustainable. China proposes a global security initiative
- To build a world of shared prosperity – Lift people out of poverty, bridge gap between north and south, wealth disparity and digital inequality. China proposes a development initiative – as a priority, people-centred approach, benefits for all, innovation driven, harmony between man and nature, results-oriented action
- Build a world that is more open and inclusive – Diversity, equality, exchange, mutual learning and co-existence must be encouraged. It is based on an Asian civilization dialogue. China proposes a global civilization initiative with peace and security, fairness and justice. Only then is it freedom and democracy
- Build a clean and beautiful world – China has focused on reduction of pollution (eg. There is a one day a week ban on driving the car, industrial regulations, etc.)

Why did China propose this idea? It was influenced by traditional, political and cultural ideas inherent to China. Peace and harmony, non-aggression, mutually inclusive and interdependent in the manner of ying/yang.

25<sup>th</sup> June 2025 PM

***An introduction to China Legal System – by Prof. HUO Zhengxin, Professor of Law, China University of Political Science and Law***

The history and current structure of the legal system which operates in China can be traced back to the ancient legal tradition of Confucianism, as well as law and governance during the dynastic eras. Legal codes were first formulated during the Han Dynasty and then codified in the Tang Dynasty. It evolved through to the Qing Dynasty and became a comprehensive legal system comprising customary and statutory laws. The Cultural Revolution and other events of the 20<sup>th</sup> century brought about the need for law reform and, therefore, it is under President Deng Xiaoping that modern legal reform commences. However, the Chinese legal system continues to be driven by socialist legal principles and social harmony.

The Constitution of the People's Republic of China (PRC) was adopted in 1982 and it sets out the structures and principles of government. It is the supreme law of the country. Both the Constitution and the institutions of the legal system operate within the framework of a socialist ideology under the leadership of the Chinese Communist Party (CCP). The CCP wields supreme power and authority and directly controls law enforcement agencies.

When it comes to the structure of the legal system, national legislative power is exercised by the National People's Congress (NPC) which is the top-most law-making body. The State Council is next in the hierarchy and is responsible for executive and administrative functions of governance.

The Supreme People's Court is the apex court in the judiciary of China. Below it are the High People's Courts at the provincial level, the Intermediate People's Courts at the prefecture level, and Local People's Courts at the county and district levels.

China has a civil Law tradition and values mediation and arbitration over litigation, because of the traditional emphasis of dispute settlement through conciliatory means. It must also be noted that the legal systems in administrative regions such as Hong Kong and Macau are separate and different from what is found in mainland China.

25<sup>th</sup> June 2025 AM

***The Role of Regional Legal Organizations in Strengthening International Law: The Experience of AALCO – by Prof. Kamalinie Pinitpuvadol, Secretary-General, AALCO***

Regional organizations contribute to strengthening of international law in the following ways:

- Enhancing compliance and enforcement – regional courts step in where global institutions may lack enforcement power (courts)
- Strengthening regional cooperation by harmonizing laws, reducing conflict, promoting stability (ASEAN dispute resolution mechanisms)
- Developing progressive legal precedents (digital rights, climate migration) setting influential precedents
- Complementing global organizations (torture convention and ECHR)
- Regionalising internal law
- Enhancing regional legal cooperation to support and strengthen the global legal order

Regional organizations are composed of States from a specific geographical region which collaborate on specific issues. They can take different forms – political and intergovernmental organizations (AU, League of Arab States), economic and trade-oriented (ASEAN, MERCOSUR, League of Arab Nations), specialized legal consultative bodies (AALCO), etc.

There are three key regional organizations shaping the development of international law. That is, AUCIL – African Union Commission on International Law, CAHDI – Committee on Public International Law and AALCO. They have common objectives, i.e. to promote codification and progressive development of international law, serve as platforms for legal cooperation and dialogue and strengthen the rule of law at the international level, through research, discussions and legal opinions. A comparison between AALCO, CAHDI and AUCIL demonstrates differences in

focus and mechanisms. AALCO's cooperation with the UN, Sixth Committee and ILC is also important.

The historical and political context, genesis and mandate of AALCO, the way AALCO Secretariat operates, the key organs of AALCO, its key thematic areas and the AALCO Work Program shed light on its contribution to the field of international law. Currently, it focuses on 20 topics of International Law. The topics for deliberation at the 63<sup>rd</sup> Session of AALCO include the Law of the Sea, International Trade and Investment Law, cybercrime, space law, asset recovery, environmental and SDG, combatting corruption, Humanitarian and Social Legal Issues (refugees and displacement, migrant workers, violent extremism and terrorism, trafficking in women and children, human rights in Islam, expressions of folklore and traditional knowledge, the ICC, etc.)

AALCO is committed to the Codification and Progressive Development of International Law. Examples of past success related to legal developments on subjects such as state responsibility, jurisdictional immunities of States and their property and the Law of the Sea. AALCO holds thematic webinars, does case studies (Asset Recovery Expert Forum (Indonesia), Cybercrime initiative (Iran), ISDS Reform. Etc.) and supports national lawmaking. While AALCO has its own challenges, it has a strategic way forward.

25<sup>th</sup> June 25 PM

***The African Union: An Overview of its Structure, Law and Policies – by Prof. Hajer Gueldich, Legal Counsel, African Union***

The African Union (AU) consists of 55 member states from the African Continent and is the successor to the Organisation of African Unity (OAU). The OAU was created in 1963 as Africa's first post-independence continental institution. The guiding philosophy of the OAU was Pan-Africanism and had a vision of African unity, built on the continent's culture and common heritage.

In 1999, the Heads of State and Government of the OAU issued the Sirte Declaration calling for the establishment of an African Union, in order to accelerate the process of integration in the continent so that Africa could engage more effectively in the global economy, especially as it had borne the brunt of social, economic and political problems brought on by negative impacts of globalisation. There was a need to move on from issues of decolonisation and apartheid, in order for African states to achieve growth and economic development. Consequently, the AU was launched in July 2002 in Durban, South Africa, replacing the OAU.

As per the Constitutive Act of the African Union and the Protocol on Amendments to the Constitutive Act of the African Union the aims of the AU include the following:

- Achieve greater unity and solidarity between African countries and their people
- Defend the sovereignty, territorial integrity and independence of its Member States;
- Accelerate the political and socio-economic integration of the continent;
- Promote and defend African common positions on issues of interest to the continent and its peoples;
- Encourage international cooperation
- Promote peace, security, and stability on the continent;
- Promote democratic principles and institutions, popular participation and good governance;
- Promote and protect human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights and other relevant human rights instruments;
- Establish the necessary conditions which enable the continent to play its rightful role in the global economy and in international negotiations;
- Promote sustainable development at the economic, social and cultural levels as well as the integration of African economies;
- Coordinate and harmonise the policies between the existing and future Regional Economic Communities for the gradual attainment of the objectives of the Union.

The AU has several decision-making organs headed by the Assembly of Heads of State and Government. The others are the Executive Council, the Permanent Representatives Committee and the African Union Commission. Judicial and legal bodies include the African Commission on Human and Peoples' Rights, African Court on Human and Peoples' Rights, AU Commission on International Law and AU Advisory Board on Corruption. Future plans include the establishment of a Court of Justice of the Union.

The AU has developed Agenda 2063 with a view to securing socio-economic and integrative transformation through collaboration and support for African-led initiatives.

26<sup>th</sup> June 2025

### ***Third Forum on Developing Countries and International Law***

Delegates attended the Forum which was held in the Crowne Plaza, Beijing. The theme was *The 80th Anniversary of the United Nations and the Development of International Law: Contribution of Developing Countries*. It was jointly organized by the Chinese Society of International Law, the Asian Academy of International Law (AAIL) and the Wuhan University Institute of International Law.

Keynote addresses were presented by Ms. Hua Chunying, Vice Foreign Minister of China, Ms. Elinor Jane Brit Hammarskjöld, Under-Secretary-General for Legal Affairs and United Nations

Legal Counsel, Dr. Kamalinne Pinitpuvadol, Secretary-General of AALCO and Mr. Huang Jin, President of the Chinese Society of International Law. Their presentations addressed the following:

*Part I: Historic Contributions of the UN Charter*

1. A new model of international relations created on sovereign equality and peace (establishment for the first time of coexistence of states as equals and the illegality of use of force)
2. A comprehensive UN-centred multilateral governance system across 3 pillars (i. collective security mechanism centred on the Security Council, ii. mechanisms for common development of mankind through ECOSOC and 17 specialised agencies such as WHO, FAO, UNICEF, UNFPA, WB and IMF), iii. legal foundation for international protection of human rights)
3. A universal system of international law and mechanisms for implementation (principles of justice an international law, sources of international law in ICJ Statute, supremacy of the charter, international lawmaking, legal bodies to interpret, apply and develop)
4. Inclusive and pluralistic values that unite the international community (national level, community of nations level, mankind level, core values of sovereignty, peace, inclusiveness, harmonization, cooperation, justice, rule of law, human rights)

*Part II: Major developments and transformations in the post-war international order under the charter*

1. Expansion of the UN system (principle organs established subsidiary bodies, 17 specialised agencies, treaty bodies)
2. Expansion of Security council's authority in peace and security (broad interpretation of "threat to the peace", peacekeeping and peace operations, quasi-legislative and judicial powers, disarmament and non-proliferation)
3. Development of global economic and social governance (institutional level – UNCTAD, UNDP, UNEP, UN Habitat and conceptual level – 1960s/1970s New International Economic Order, 1972 Stockholm Conference, 1980s – recognition of rights to development and sustainable development, 1992 Rio Declaration and Agenda 21, 2015 Paris Agreement)
4. Progressive development of human rights (Norms with over 30 HR treaties based on UDHR, individual general and specific rights and collective rights, Institutions – Commission on Human Rights replaced by the Human Rights Council in 2006, Actors – State-centric to non-state actors-international community)
5. Establishment of the Charter-based international legal system and judicial governance (unprecedented international law-making by bodies within the UN – ICJ, as well as bodies

affiliated with the UN: ITLOS, WTO, DSM, ICC). Functions of interpretation and application, fact-finding, dispute resolution result in judicial governance.

*Part III: how to evaluate Charter-based international law order and global transformation*

- Safeguard Charter's constitutional status and fundamental role while continuously evolving to adapt to evolving global challenges
- Charter's implementation faces multiple challenges – inadequate enforcement, selective application and double-standards need to be corrected, global governance deficit: new actors, new threats, new domains, crisis of cooperation need regulation, charter's limitations (structure and operation need improvement)

All the speakers shared the common view that the Forum acts as a platform for the Global South to share perspectives, especially TWAIL (Third World Approaches to International Law) which would strengthen cooperation and shape a fair and inclusive international legal order.

27<sup>th</sup> June 2025 AM

***Palestine at the International Court of Justice – by Dr. Ntina Tzouvala, Associate Professor, Faculty of Law, University of New South Wales***

The history of Palestine can be traced back to Article 22 of the League of Nations. This provision recognised that colonies and territories which were previously governed by sovereign States and not yet able to govern by themselves could come under a mandate to be governed under the sacred trust of civilization. There were three types of mandates: (A) mandate – those formerly belonging to Turkish empire, including Palestine which was connected to recognition of Jewish migrants ("almost civilised"), (B) – South West Africa ("half-way civilised") and South Africa, Namibia ("at the bottom of civilisation").

Article 6 of the Palestine Mandate did not confer independence at the level which was contemplated under Article 22 of League of Nations. Although 95% of the territory was Palestinian, they were coupled together with the "other section", the wishes of the Palestinian themselves were not considered and the emphasis was on Jewish immigrants. However, even though it was *ultra vires* the covenant, the Palestine mandate was always treated as an exception. The Balfour Declaration which England undertook to implement gave a promise of homeland for the Jewish, yet it never went as far as a State of Israel.

Consequently, Britain sought the advice of the UN. This resulted in UNGA Res 181(II) 1947. In the UN Special Committee for Palestine, the majority of the membership was white European, so the majority plan was the partitioning of a Jewish State (55%) and Arab State (45%), with all the citrus

trees and arable land granted to Israel. Jerusalem was to be placed under a special international regime. This is the origin of the two-State solution.

India, Pakistan and Yugoslavia dissented. India and Pakistan had just undergone a Partition which was not bloodless. The Palestine partition did not take into account the majority principle. In the UNGA resolution, the Jewish minority were given the majority and there was no election unlike in India/Pakistan. The dissention also showed the voice of third world challenging the hegemony.

Then came the 1947-1948 conflict. The first phase was armed conflict between Arab and Jewish militants with systematic expulsion (Nakba) of Palestinians from territories allocated to the Jews. In the second phase, Israel proclaimed independence and Arab neighbours were attacked. Systematic expulsion continued. Ultimately, Israel controlled 77% of the mandate territory. Palestinians under the Israel were subject to martial law until 1967.

Next came the Six Day War between Israel and Arab neighbours (1967). It was a swift victory for Israel, resulting in Jewish occupation of the remainder of the mandate territories (Gaza, West Bank, East Jerusalem, Golan Heights (Syrian territory) and Sinai Peninsula (returned to Egypt in 1982). Contemporary debates about the Opinion on Palestine Territory such as in the 2024 ICJ Advisory opinion concern some of these territories.

Other important matters relevant to the Palestinian issue: Jewish nationality v. Israeli citizenship, events since 1967, the 2004 ICJ Advisory Opinion re *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*, UNGA resolution 77/247, 2024 ICG Advisory Opinion 2024 re *Legal Consequences arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, including East Jerusalem* and the ongoing case before the International Criminal Court (ICC) in *South Africa v. Israel* under the Genocide Convention.

However, unlike in the case crimes against humanity, the act of genocide requires “**intent** to destroy in whole or in part”. Therefore, the definition of genocide is problematic. It only recognizes physical acts, does not capture cultural and economic destruction such as against Native Americans, does not capture inaction and drafted in a way that Western countries would not be liable for colonisation projects and erasing cultures (eg. cultural erasure by Israelis refusing to recognise “Palestinians” who are Israeli citizens, but refer to them as Arab Israelis).

However, there is novelty in South Africa’s approach because of heavy contextualisation of current violence – nakba), *actus reus* involves killing, serious physical/mental harm, conditions of life, prevention of births and “deliberate inflictions of conditions of life calculated to bring physical destruction”.

27<sup>th</sup> June 2025 AM

***China's Regulatory Regime for Data Governance – by Prof. CHEN Li, Professor of Law, Fudan University***

International trade of data (data commercialization) will help a country to leapfrog from one level of economic development to another level. China seized the opportunity of data trade to develop its businesses, with companies using data as a form of leverage. Development and framework of data governance in China can be seen through the technological impact, regulatory landscape and legislative timeline in China. WeChat is a lifestyle APP.

*Overview of Chinese data governance – incremental steps rather than develop too fast*

- Expanded scope originally focused on basic network facilities and management to regulation of data and information management
- Legislative purpose: cyber sovereignty, cyber security law was introduced in 2015
- National security and interests: beyond geographical boundaries, recognizes that national security and interest extend into cyberspace, importance of data governance in the digital realm

The Cyber Security Law (CSL) deals with securing network products and services, network operations, network data, network information, monitoring, early warning and emergency response, network security supervision and management systems. It is the fundamental law for national information legislation, focus is on operational security or critical information infrastructure, balances personal information protection and network content management. The main purpose is to serve as a starting point for data protection.

The Data Security Law (DSL) focuses on data and information on network devices and the Personal Information Protection Law (PIPL) regulates personal information.

While the above three laws are national legislation, there are also State Laws such as the Shenzhen Data Regulation 2021. In Chinese data law, there is no difference between personal data and personal information, they are synonymous.

The structure and features of Chinese data law demonstrate a heterogeneous legal system with core components. Around 100 peripheral laws (consumer rights protection, E-commerce law) exist and give rise to regulatory complexity.

The key features of Chinese data law are as follows

- Data classification protection: manages data based on common attributes (producer, possessor, industry)

- Data hierarchy protection: grades data by potential harm to national security, public interest, individual rights
- Compliance obligations: varying intensities of protection based on data classification and hierarchy, includes processes like collection, storage, sharing and destruction.

#### *Data classification and regulation in Chinese data law*

There are primary and secondary categories with a regulatory framework which consists of sector specific regulations and subject matter regulations. Legislative examples include government data sharing and public data sharing. There is also enterprise data.

Data grading and classification involves balancing of costs and benefits of data protection and utilization. There is a distinction between key data (subject to heightened protection due to potential harm) and core data (subject to strictest controls, includes critical national security and public interest data). Where key data is concerned, the central government develops a catalogue and regions specify details. Similarly, information can be classified as personal information, private information and sensitive information.

#### *Unification of values in Chinese data law*

Cores values: physical security (safeguarding the integrity, confidentiality and usability of data, ensures data collected legally is protected from unauthorised access and disclosure, achieved through technical means such as encryption, access controls) and training ) and juridical security (balance interest of processors, with state, societal and individual needs, encompasses effective protection and legal use of data, ensures lawful processing does not infringe personal rights)

Unified goals of data law arise from the fact that they share a common philosophy, i.e. to promote data use while preventing misuse. There are dual objectives: data security/protection and facilitation of utilization.

Juridical security benefits: personal security, public life values (limits surveillance and data use for democratic values), national security (mitigates risks associated with critical data processing). Therefore, a balancing of interests is required.

#### *Divergent structures of interest in Chinese data law*

- Legislative focus: PIPL focuses on juridical protection, DSL focuses on physical security and state interest
- Stakeholders: under DSL it is the data processors and state, under PIPL it is data processors and individuals. Therefore, complex interests need to be balanced. Information processors (incentivised to utilise personal data for economic gain, employing advanced data analysis) v. State interests (utilizes information for public health and social management,

enhancing competitive strength). Hence, there is a conflict between personal autonomy and state protection.

- Regulatory paradigms: DSL is compliance-focused, with obligations on data processors whereas PIPL is centred on notice-consent rule, emphasising individual rights

However, the common goal of both laws is to enhance physical and juridical security of data while balancing protection and utilization to facilitate development.

#### *Practical characteristics in the application of Chinese data law*

While the theoretical framework of the law is clear, practical implications are complex.

Didi Taxi APP Case: The company filed for IPO on 1 July 2021, without getting security clearance under CSL, they chose this date as it was the centenary anniversary of the Communist Party and it would go unnoticed by Chinese government and that any penalties can easily be paid up. However, the cybersecurity review was initiated on 2 July 2021 and Didi's user registration was suspended due to national data security risks and Didi was removed from APP stores for serious violations related to personal information.

Key findings from this case: differentiation between narrowly defined data and personal information, administrative coercive measures taken to prevent harm before formal penalties

#### *Features of data law application*

1. Simultaneous processing
2. Expedited framework

Challenges arises with regard to digital trade liberalization and regulatory power: balancing the promotion of cross-border data flow with national regulatory autonomy, societal consideration of data according to various national contexts, factors affecting the breadth of regulatory initiatives (level of development, regulatory capacity, society's understanding of constitutional values such as individual rights v. collective rights), the relationship between citizens and state, and the role of the market.

The 2015 Digital Single Market Strategy in China is an important milestone. The future of data regulation gives rise to discussions on extra-territorial application, preferential trade agreements, but a trend towards limiting/prohibiting data localisation measures, a tendency for a broad definition of data flows, the absence of a distinction between different types of data, with the only exception being "government data", two forms of data flow (free information and the ban on data localization, whether to have separate provisions or incorporate within one provision (see Article 201 of the EU-UK Trade and Corporation Agreement), and America's ban on TikTok, etc.

Having provision on the right to regulate is very important and it needs to be explicitly spelt out. Introducing it in the preamble, referring to it in services and investment and having a digital trade title some such mechanisms.

28<sup>th</sup> June 2025 AM

***Free time***

28<sup>th</sup> June 2025 PM

***Introduction to Chinese traditional culture***

Delegates participated in a session on Tai Chi.

29<sup>th</sup> June 2025 AM

***Visit to Tianjin Lawyer's History Museum and Smart Port.***

Delegates were given a tour of the Tianjin Lawyer's History Museum.

29<sup>th</sup> June 2025 PM

***Visit to Tianjin Smart Port.***

Delegates were given a tour of the Tianjin Smart Port.

30<sup>th</sup> June 2025 AM

***China's Diplomacy & Global governance – by Prof. SUN Jinsheng, Professor of International Studies, China Foreign Affairs University***

Global governance is an important task for the international community, especially as we currently witness constant governance deficits, global problems/scientific and technological progress. Why is China an important figure in global governance? Self-identification as a major country, with more sense of global responsibility, attaching more importance to governance and Chinese ideas such as a global community of shared future, the belt and road initiative, etc.

*What is the current approach of global governance?*

The concept of Global Governance can be traced back to 1990 after end of cold war. Consequent recognition is found in the establishment of Global Governance Committee (1992), publication of *Our Global Neighbourhood* (Report produced by the Committee in 1995), first systematically

expounded as an academic concept in UN Secretary General Kofi Annan's UN Millennium Report (2000).

- What is to be governed? Global problems, which go beyond national borders, is influencing or will influence in the future all human beings, cannot be solved by any single state or only a few actors.
- Who will govern? Governments or specific government departments, international organizations such as the UN, WTO, IMF, NGO or civil forces.
- How? Principles, rules, norms, procedures, standards, global coordination and cooperation. duty to address the complexity of causes and actors involved, adopting a a public, pluralistic and consultative process

The question is whether global governance reflects the above characteristics, because they ultimately affect the success or failure of governance. The following are dilemmas of the current governance system in various areas:

- Economy: After the 2008 economic crisis, did IMF, WB respond quickly and effectively?
- Trade: WTO appellate body has come to a standstill and global economic governance is questioned
- Politics: Arab spring, post-war Iraq, ISIS, fall of Syrian government, direct interference in internal affairs, changing national regimes, political system with external forces created new problems in many developing countries, even more regional and global problems such as terrorism, refugee problems, poverty, social turmoil and chaos
- Culture: negative or even exclusive attitudes, clash of civilizations, not inclusive, and against the requirement of global governance. Global governance needs to mobilise different countries, different cultures, etc.

The main reasons for failure of global governance are as follows:

1. The current international governance is based on post WWII, pluralism is often neglected, before 2008 it was western governance, but after that more emerging nations have got involved, not just G8 but G20
2. The existing governance system does not reflect timely the changes of the world today:
  - Change 1: Distribution of power, GDP of G7 was 67% of world's GDP, but dropped to 53% by 2008, now BRICS contributes over 50% to world economic growth
  - Change 2: Global issues have changed, after WWII it was maintaining peace, main objects of governance in the traditional security areas such as economic, political, military and other high politics. But now, non-traditional issues such as poverty, disasters, epidemics, terrorism, climate change have arisen

- Change 3: Development and change of technology due to increasing digitalization and AI, functions of social media, network diplomacy and political reconstruction
  - Change 4: New problems have emerged, but some blind areas are not captured by global governance (eg. Governance of Internet, space, polar region, deep sea, etc.)
3. The existing governance system mainly follows a single governance model. It is mostly centred on the surface, cures the symptoms without curing the root causes, mainly rule-based governance, lacks flexibility, other models are ignored intentionally or unintentionally.

#### *China's approach to governance*

China's approach to global governance is closely related to China's relationship with the international system, changing international status and changes in China's subjective will. After 2008, China increased its impact on economic global governance (eg. 2008 Olympic Games, 2010 World Expo, became the second largest economy in 2010, proposed its own ideas after 18<sup>th</sup> Communist Party Conference, 2013 National Congress theme to build a "Global Community of Shared Future", the Belt and Road Initiative, etc.)

In 2015 and 2016, the political bureau of the Central Committee organized two group study sessions on global governance – consensus was reached to strengthen global governance, promote reform. Session 1 was on China's own vision of achieving shared growth and Session 2 developed a clear concept of China's ideas, approaches and measures for participating in global governance. As a result, there is intensified participation and action in global governance by China, the leap from being simple participants to being international rule makers and providers of public goods, increasing representation and discursive power of emerging countries and developing countries

China attaches importance to creating new international mechanisms, putting forward initiatives such as AIIB, BRICS, New Development Bank and Silk Road Fund. China has promoted its own concept through various summits: 22<sup>nd</sup> APEC, 2016 G20 Hangzhou Summit and Ziamen BRICS Summit (eg. At the G20 Hangzhou Summit, China proposed that the objective of G20 should change from crisis management to long term governance mechanism and platform) China aspires to ideational and practical innovation from global governance guided by "Global Community of Shared Future".

President Xi's proposals have been consistent from 2012 in China to 2013 in Moscow and to 2015 at the UN 70<sup>th</sup> anniversary and in 2017 at the UN Headquarters in Geneva. The five basic principles have been written into China's Constitution and the CPC Party Constitution, has been accepted by the international community and is found in UN documents.

Traditional ideas behind the concept of global community of shared future: the world as one orderly whole, ends v. means, political unit v. disordered jungle, a geographical concept, emphasises the relatedness of the world, treat contradictions and differences dialectically, different things transformed into a harmonious existence, reserve common ground, etc.

*Global governance from the perspective of global community of shared future*

- **Common and equal governance** – All global problems are related with the developing world, all countries are equal members with rights and obligations
- **Process governance** – Traditional way of thinking is result-based governance. But in process governance, we have to consider changes and flexibility, the constant change of things, the driving force for their development and progress, things change in the course of development, process is as important as the beginning and result. Communication process: gradual change in interests and identities. The Belt and Road Initiative is a process driven approach. Interaction process: change mutual cognition, shape and share knowledge, nurture mutual understanding
- **Related governance** – Chinese traditional culture always emphasises relatedness or connectivity of all things. Global issues are intertwined and highly connected, we need to cure both symptoms and the root causes, like traditional Chinese medicine's way of curing diseases
- **Development governance** – Many of the current global issues are closely related to social development. China has made development its top priority, recognised the dialectical relationship between development, stability and peace, and integrates its own development experience and ideas into the global governance system. Development-oriented experiences are the focal point: social stability, increasing income for all, improving infrastructure, improving the living standard for all, poverty alleviation and bridge the development gap

China's Global Security Initiative and the Belt and Road Initiative are some examples of global governance. President Xi's speech at the 19<sup>th</sup> G20 summit stressed the importance of working together for a fair and equitable global governance system. Global governance should focus on global problems, ideas from diverse countries, complement each other and achieve good and effective governance.

30<sup>th</sup> June 2025 PM

***Interaction between international law and domestic law – by Prof. ZHU Lijiang, Vice Dean, School of International Law, China University of Political Science and Law***

### *Terminologies*

International law: Law regulating the relations/mutual rights and obligations of States, individuals, international organizations and non-state actors relating to armed conflict, trade, human rights, etc. There is a difference between public international law and private international law (private relations which have a foreign element).

Domestic law: Also termed as national law, internal law, municipal law, local law. It is the law which applied within states governing state and its subjects and between the subjects. The legal framework established within specific countries.

### *Sources*

International law: Article 38 of ICJ Statute. Distinction between formal sources and subsidiary sources, as well as informal sources

Domestic law: Constitution, Parliamentary/Congressional acts, Cabinet/Administrative Regulations, Ministerial Rules, local regulations and local rules, judicial decisions and interpretations

### *Theories of relationship between international and domestic law*

Dualist (based on nationalism and a common law tradition). International law and domestic law are parts of several legal orders and exist independently of each other and need special provisions in order to be brought into a reciprocal relationship, justification for this theory is the limited number of international treaties and conventions. However, some say this theory is outdated, futile because both types of laws have the same sources, and subjects of both types of law are the same. Further, recent developments demonstrate international law regulating more and more fields.

Monist (based on internationalism and is a continental law tradition). Both international law and domestic law are part of same legal order, law has to be understood as a unity, validity derived from common source. Application of the Kelsen Theory supports supremacy of international law over national law, it is the *grundnorm*, legal order of domestic law was derived from international law by way of delegation. Lauterpacht emphasised International Law's deep concern for human rights, primary function as promoting well-being of individuals, being the best method available of attaining ultimate goal and a deep suspicion of international system based on sovereignty and absolute independence of states.

However, it may seem that this entire controversy is unreal, artificial and strictly beside the point, that there is no common field in which the two legal orders have spheres of activity.

#### *The role of domestic law in international law*

Domestic law is only "a fact" in international proceedings:

- Domestic law as "an applicable law" – eg. PCIJ re Payment of Various Serbian Loans issued in France (the court under certain conditions has to apply municipal law) and ICJ re Barcelona Traction Case (domestic law may be chosen by parties as the applicable law in inter-state arbitration law).
- Domestic law as "evidence of the practice for customary international law" – eg. 2018 ILC Draft Conclusions on Identification of Customary Law – general practice/conduct of states found in executive, legislative and judicial functions; 2012 ICJ case of Germany v. Italy re state immunity
- Domestic law "as evidence of general principles of law" – eg. 2025 ILC Draft Conclusions on Identification of General Principles of Law. Draft conclusion 3: laws which are a) derived from national legal system or b) that may be formed within international legal system. In order to determine the existence and content of a general principle of international law, it is necessary to ascertain the existence of a principle common to various legal systems or the world and its transportation to the international legal system.
- Domestic law "as a ground for withdrawing the consent" – eg. Where a party to a treaty in international proceedings withdraws under Art 27 of Vienna Convention on the Law of Treaties (VCLT). But it is without prejudice to Article 47 which sets out the exception of where consent has been given in violation of an internal law, that violation is manifest and concerns a rule of internal law of fundamental importance.
- Domestic law "as a practice for the purpose of treaty interpretation" – Article 31 (subsequent practice) of VCLT and Article 32 of VCLT (supplementary means). Also, 2018 ILC Draft Conclusions on subsequent agreements and subsequent practice in the interpretation of treaties.

#### *The role of international law in Chinese Domestic Law*

Three issues have to be addressed: 1. How international law is received or introduced into domestic law? 2. What is the status of international law in the domestic legal system? 3. Whether

international law could be implemented and applied in domestic state organs? The role changes depending on the source of law. The question is a matter of domestic law itself.

How is international law is received or introduced into Chinese domestic law? – Article 67 of 1982 Constitution and Article 10 of the 2023 Law on Foreign Relations of the PRC. However, these Articles only mention ratification and abrogation/denouncing. There is no mention of withdrawal. Articles 7 and 11 of 1990 Procedural Law of the PRC on conclusion of Treaties and decision to accede respectively. Article 89 of 1982 Chinese Constitution – one of the State Council’s powers, mentions treaties and agreements, but only in context of conclusion and not withdrawal.

What is the status of international law in the Chinese legal system? The 1982 Constitution is silent. Some scholars say that it stems from parliamentary law. Others say that treaties are superior to NPC. However, there was a new development in 2023 under the Law on Foreign Relations of the PRC. Article 30 states that a treaty shall be inferior to the Constitution and Article 31 stipulates that the State has to take due measures to implement and apply treaties. The implementation shall not undermine the sovereignty of the State, national security and public interests. Where legislation is concerned, concluded treaties may be unconditionally superior to NPC and NPCSC laws, conditionally superior to ordinary law, some may be inferior to ordinary law. Concluded treaties have been applied in Chinese Courts.

It can be concluded that the interaction between the two types of law is complex, but it is crucial and we need to watch the interaction between them in our home countries as well.

01<sup>st</sup> July 2025 AM

***Visit to Beijing Internet Court***

Delegates were given a tour of the Beijing Internet Court.

01<sup>st</sup> July 2025 PM

***Visit to Xiaomi Corporation***

Delegates were given a tour of the Xiaomi Corporation.

02<sup>nd</sup> July 2025 AM

***Visit to the Forbidden City***

02<sup>nd</sup> July 2025 PM

***Closing Ceremony***

The Beijing leg of the training program concluded with a closing ceremony held at the main venue of the training sessions – Taikang School of Advanced Study. The delegate from Palestine delivered a vote of thanks. Certificates and gifts were given to all the delegates.

03<sup>rd</sup> July 2025

Delegates departed from Beijing to Hong Kong SAR for the second part of the training program.

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04<sup>th</sup> July 2025

***2025 Colloquium on International Law***

***UN's 80<sup>th</sup> Anniversary: Bridging Innovation and Governance – LawTech, AI & Future of International Order***

Opening addresses were delivered by the Hon. LEE Ka-chiu John, Chief Executive Hong Kong Special Administrative Region of China and CUI Jianchun, Commissioner of the Ministry of Foreign Affairs of China in the Hong Kong Special Administrative Region. The Commissioner's speech placed emphasis on AI's positive and negative impacts.

*Keynote Address by Miguel de Soares, the former Under-Secretary-General for Legal Affairs & United Nations Legal Counsel of the UN*

- The international legal system, its transformation since 1945 UN Charter.
- AI is not just a tool, it is becoming a structure, posing new risks and requiring new governance. This is due to the challenges of AI such as increasing inequality, obscuring accountability, challenging territorial governance, security implications and posing dilemmas for human developments and agencies. These underscore the need for AI governance, especially because of the growing trend of AI sovereignty. It is a dangerous trend. Therefore, patchwork approaches affect trust, people will begin to question regulatory and compliance costs, there will be divergence in values and ultimately a competition of the race to the bottom.
- Hence, should we view AI governance as a zero-sum game or a shared endeavour based on UN principles? Of course, we are still at the early stages of institutionalising AI governance. Yet, we need coherence, a coordinated response – geopolitical, ethical, legal

and anticipatory, not reactive. For this purpose, we must not replace existing systems, but consider new ones such as global observatory system. Capacity building initiatives must be grounded in the core purpose of the UN, not becoming a tool for domination.

- There is criticism that international law is incapable of governing AI. However, this critique misunderstands international law – eg. when nuclear tech, biotech and cyberspace developed, international law responded. AI is no different.
- Recall the UN Charter. AI will have an effect on peace, international human rights such as privacy and equality, humanitarian law such as re use of weapons, trade and investment via issues of intellectual property and environmental law due to energy demands of AI infrastructure. The challenge is not absence of law, but application of law to new contexts. Therefore, we must not abandon international law. This is where interpretation and treaty development come into play – eg. to ban AI warfare.
- Solutions: how do we move from high-level norms to practical application?
  1. Codify foundational norms by reaching baseline agreement on development and application of AI, applying the Geneva Convention to war algorithms, introducing a binding treaty, or framework agreement or model provisions (eg. re accountability, human rights, degree of human oversight and transparency, etc)
  2. Investing in global institutions
  3. Need for UN to be a hub, but joined by regional organizations and the private sector
  4. Need for diversity by embedding ethical considerations, stakeholder participation, supporting open and inclusive research. It must not be a technocratic elite exercise, but should adopt public consultation, access to information, pathways to redress when rights are violated, weigh in societal trade-offs
  5. Need to align AI with broader goals of SDGs
- Who decides for whom for what rights? These are legal questions and governance questions.

*Panel 1 - Development of AI and how it will influence the international law. Should it be a fracture or a bridge?*

The Hon CHENG Yeuk-wah Teresa, Founder Member & Co-Chairman of AAIL moderated this panel which comprised the following members:

- GU Haiyan General Counsel Sina Group
- SONG Liuping Supervisor & Chief Legal Officer Huawei Technologies Company Limited
- TSANG On-yip Patrick BBS Co-Chief Executive Officer & Director Chow Tai Fook Enterprises Limited
- XU Zhigen Founder Chairman NineRay Technology Limited
- Kevin ZHANG Vice President & Company Secretary Alibaba Group Holding Limited

These Industry leaders spoke from a practical perspective on how they use AI in their companies. They provided an overview of the recent developments in technology and the challenges they face in developing their businesses. The experts shared their experience on how technology and AI can be used in their respective fields, what legal and business challenges they face, what they aspire to in the future and how that will impact on the international order.

### *Panel 2 - AI and International Legal Order*

#### Part I

#### ***Ntina TZOUVALA – The world of International Law***

States are rational, purposeful actors (eg. rules of attribution of state responsibility). It is possible and desirable to know the world and to make causal statements about it (eg. when calculating compensation). International relations should be structured in accordance with certain rules that operation as a conditional algorithm (eg. if you are under attack, then you have a right to use self defence). Expertise is a valuable quality and ought to play a role in global governance.

But is any of this true? Critical legal scepticism may have the answer to the question.

1. American legal realism: law does not operate as a conditional algorithm, extra-legal considerations always intervene in practice
2. Critical international legal tradition: law is the language through which states and other actors justify their actions to each other publicly
3. Modern and democratic behaviour – owing an explanation to other countries

However, AI is not rational to follow the above rules, for the following reasons:

- Neither expert knowledge nor reasoning, but probabilistic sequencing of words, sentences, paragraphs (when it comes to LLMs)
- Hallucinations mis-state the problem: not mistakes made by thinking entities, but the inevitable consequence of LLMs' probabilistic function
- Black box decision-making: impossible to fully control or even retrospectively account for the billions of associations taken into account in the process of AI decision making. "Why" becomes an unanswerable question.

US President Donald Trump's new tariff math looks a bit like ChatGPT's!

#### Part II

Prof. YEE Sienho, Director, Chinese Institute of International Law, China Foreign University, moderated this panel which comprised speakers who share shared views on international legal

issues pertaining to the use of technology and AI, including the concerns relating to data protection and data security. There was consensus that inclusive and responsible AI development which addresses issues of regulation, security and ethics is needed. The experts also referred to the evolving field that is Cyberspace law. The presentations were as follows:

***International law and regulation of AI, application of non-intervention principle – by Wenny HUANG, Deputy Chief Executive Officer & Secretary General, eBRAM International Online Dispute Resolution Centre***

The non-intervention principle was originally coined by third-world countries and then appropriated by development countries such as US, there is a debate on the application of the non-interventionist principle in the cyber context, issues to be explored include whether there is international consensus on continuing applicability of existing international law, but how to apply remains unclear, AI is not only a means but a target of intervention, there are prohibited interventions such as US depriving development of micro-chips. It is natural and reasonable to apply international law to AI. The new importance of non-intervention principle, complexities and sophistications of applying it to AI should not be under-estimated. Consideration should be given to whether the law is applied on equal footing.

***International law fragmentation and AI governance: between convergence and divergence – by Thanapat Chatinakrob, Assistant Professor of International Law, Faculty of Law, Thammasat University***

There are over 71 policy frameworks worldwide, but less than 5% have binding force: eg. EU AI Act 2024, OECD Principles 2019, UNGA Resolution 2023 and UNESCO recommendations on Ethics of AI. Sometimes, norms collide: EU AI Act creates high thresholds, WTO TBT Agreement. There is practical evidence of fragmentation: data transfers, audits and accountability and liability regimes. This means that the same AI product may be lawful in one country but prohibited in another. Southeast Asia's patchwork shows selective borrowing from OECD, EU and UN. There seem to be competing directions when we consider the theory and options. Some risk being left behind.

***UNCITRAL: AI Contracting and Digital Trade – by Anna JOUBIN-BRET, Secretary, United Nations Commission on International Trade Law***

Model Law on Automated Contracting – July 2024, supplements existing UNCITRAL text, since the 1990s UNCITRAL developed several legislative texts to enable electronic transactions, principles of non-discrimination, technology neutrality, party autonomy, the use of electronic agents, but

does not address AI agents (automatically v. autonomously), UNCITRAL focused on 5 topics where digital technologies are transforming international trade (online platforms, data, digital assets, AI, distributed ledger technology). In other words, new tradables, new traders, new ways of trading. AI governance and digital governance are closely intertwined.

***Milestones of LawTech – by HONG Yanqing, Professor, School of Law, Beijing Institute of Technology***

Online dispute resolution after Covid-19, APEC Collaborative Framework, benefits and challenges of using technology and AI in dispute resolution.

***Military artificial intelligence – by Vadim Kozyulin, Chief Researcher, Center for Military-Political Research, Institute of Contemporary International Studies, Diplomatic Academy Ministry of Foreign Affairs of the Russian Federation***

AI should not be militarised, what we need is adaptation, not revision, of international law.

***China's AI Legislative Framework – by SHEN Weixing, Professor & Director of the Institute for Studies on AI and Law, Tsinghua University***

Legislative orientation: Development v. Regulation, Legislative form: Unified v. sectoral laws, Legislative value: Addressing industry (clarity reliability, optimistic resource allocation, foster an AI industry ecosystem), relationship with existing laws

Closing remarks were made by WONG Chi-kwong Tony, Commissioner for Digital Policy, Government of the Hong Kong SAR of China

**05<sup>th</sup> July 2025 AM**

The opening session was held at the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong SAR, where the following distinguished speakers briefly addressed the gathering.

- Mr. CUI Jianchun, Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the Hong Kong SAR;
- The Hon. Prof. Teresa Chang, Co-Chair, Asian Academy of International Law (AAIL);
- Dr. Anthony Neoh, Co-Chair, AAIL; and
- Prof. Kamalinie Pinitpuvadol, Secretary-General of AALCO.

05<sup>th</sup> July 2025 PM

***One Country, Two Systems – by Hon. Prof. Teresa CHENG, Co-Chairman of AAIL***

An analysis of the distinctive principle of 'One Country, Two Systems', its legal mechanisms, and achievements in integration, drawing on HongKong's practice since its return to the People's Republic of China. The policy of "One Country, Two Systems" is reflected in an innovative constitutional structure, it contributes to development of contemporary international law and is conceptualised to achieve peaceful reunification. China does not recognise that HongKong was a British colony, but rather as only a territory which has been administered by the British.

*Policy-making*

The formulation of the concept can be traced back to 1979 when Deng Xiaoping, Leader of the Chinese Communist Party raised the possibility of HongKong maintaining a capitalist system and when Marshal Ye Jianying articulated nine principles to achieve peaceful reunification in 1981. In 1982, Deng stated that the "Nine-Point Proposal...in essence can be generalised as "one country, two systems". Basically, it is two different systems which are allowed to co-exist. Mainland China was to maintain the socialist system, but HongKong and Taiwan would continue to maintain the capitalist system.

The historical context is three unequal treaties: 1840 (Opium War) Treaty of Nanking, 1860-1856 (2<sup>nd</sup> Opium War) Convention Peking and the 1898 Convention for extension of HongKong Territory. 99 years were to pass since then before HongKong returned to China on 30<sup>th</sup> June 1997. China had always opposed the unequal treaties.

The Republic of China was established in 1911, following by the People's Republic of China (PRC) in 1949. 1979 saw the restoration of PRC's representation in the UN and on 15.06.1972, the work of the UN Special Committee on Decolonization culminated with the UNGA Resolution 2908 which recommended the deletion of HongKong and Macao from the list of British colonies. In 1979, negotiations were had with UK to extend the lease, but it was rejected by China. In 1982, Deng expressed the intention to recover HongKong. In 1982, an Amended Constitution introduced Article 31 providing that a State may establish administrative regions when necessary. The Sino-British Joint Declaration was signed on 19 December 1984. Accordingly, UK had no right of supervision over HongKong.

*Legislating*

- 1985 - Basic law Drafting Committee
- 1990 – The Basic Law passed by NPC
- NPC Decision to establish HKSAR in 1997

- Constitutional order of HongKong SAR governed by the Constitution and the Basic Law (only one Constitution for both China and HongKong, because HongKong is not a separate country)

Accordingly, HongKong could keep the treaties it has entered into pre-1997, but now China can enter into treaties without binding Hongkong and *vice versa*, subject to NPC making a decision in consultation with HKSAR.

#### *Basic Law provisions*

- Preamble of Basic Law – refers to One Country, Two Systems
- HKSAR is an inalienable part of PRC
- Local administrative regions (such as HKSAR) have a high degree of autonomy and come directly under the Central People’s Government (CPG)
- NPC authorizes HKSAR to exercise a high degree of autonomy and enjoy executive, legislative and independent judicial power, including final adjudication
- CPG shall be responsible for foreign affairs and defence

HongKong has an Executive-led government. There is a Chief Executive of Government who is the Head of HKSAR. The HKSAR government is responsible for formulating policies and introducing bills and drawing up budgets. The Legislative Council enacts laws and scrutinizes budgets. The members of the Legislative Council are elected from China, and not by the people of HongKong.

Courts in HongKong exercise judicial power independently, free from any interference. Judges are appointed through the Judicial Officers’ Recommendation Committee which makes recommendations to the Chief Executive who then makes the appointment. The appointee does not have to be a citizen. The structure of the courts from bottom to top is the Magistrate’s Court, District Court, High Court, Court of Appeal and Court of Final Appeal. In the Court of Final Appeal, there are four permanent judges and non-permanent justices appointed by the Chief Executive, based on their standing in society. China has a civil law system but HK has a common law system.

The common law system in HKSAR is one where rules of equity continue to apply. The vast majority of pre-1997 laws continue to apply, unless inconsistent with the Basic Law. Reference can be had to precedents from other common law jurisdictions. Prosecutorial independence is preserved.

As per World Bank ranking in rule of law 2018, HongKong ranks at 11<sup>th</sup> position, having scored 95%. Human rights protection is guaranteed by Chapter III of the Basic Law. Further as per the Human Freedom Index 2019, HongKong is ranked 1<sup>st</sup> in Asia and 11<sup>th</sup> in the world.

HongKong boasts of an impressive International Financial Centre. It ensures that the capitalist system is maintained. The government provides an appropriate economic and legal environment

by recognizing independent finances and taxation policy, as well as not having any foreign exchange control policies. Where trade and Investment is concerned HKSAR recognizes the right to private ownership, right to acquisition and disposal of property, compensation for unlawful deprivation of property, etc. HongKong is a founding member of WTO, maintaining itself as a free port, implementing a policy of free trade and free movements of goods, where intangible assets and capital shall be safeguarded. It is also a separate customs territory, not to be misconceived as Mainland China (eg. when the US imposed tariffs on China and HongKong equally, despite the fact that the latter is customs-free). HongKong also has control over its civil aviation – ICAO, Air Service Agreements, ATLA.

#### *HongKong's relationship with the Mainland*

Nine mutual legal assistance arrangements have been signed with China. With regard to external Affairs, HongKong can enter into agreements, after consulting China and vice versa. National Security is a matter for the Communist Party of China (CPC), and HK practices a State Immunity position as that of China (absolute immunity subject to commercial exception). In matters outside the limits of the autonomy of the region, Chinese national laws will apply after publication in gazette: eg. enactment of National Security Law 2020 (re cessation, subversion, terrorism and collusion with foreign govts), 2021 electoral system law amendments) and National Security Ordinance 2024.

#### *Security and prosperity of HongKong*

- 2013 Belt and Road Initiative
- 2019 Greater Bay Area
- 59<sup>th</sup> AALCO Meeting
- 30.05.2025 HongKong Convention on establishment of International Organization for Mediation (IOMED)

06<sup>th</sup> July 2025 AM

#### ***AALCO Hong Kong International Arbitration Centre – by D. Nick Chan, Director, AALCO Hong Kong International Arbitration Centre (HKIAC)***

- Six centres under AALO
- Established with the objective of preventing and resolving disputes
- The New York Convention does not have a super-arching mandate to enforce arbitral awards
- There are several types of arbitration
- Institutions qualified for interim measure applications (eg. freezing evidence). AALCO HKIAC is one such recognized institution.

***e-BRAM Platform – by Mr. Albert Leung, Acting CEO and CTO, e-BRAM Platform***

Introduction to the Online Dispute Resolution Centre –

- An arbitration and mediation platform
- LawTech start-up created in Hong Kong
- An independent non-profit NGO
- Addresses negative features of traditional arbitration and mediation
- Procedural safeguards in place to ensure reliability of witness evidence
- Provides for AI translations

06<sup>th</sup> July 2025 PM

***Free time***

07<sup>th</sup> July 2025 AM

***Arbitration (Commercial and Investment) – by Hon. Prof. Teresa CHENG, Co-Chairman of AAIL***

ICSID Arbitration v. Non-ICSID Arbitration: Distinctions with regard to the seat, panel of arbitrators, setting aside/annulment and enforcement. Under ICSID, the concept of seat does not exist, so instead of enforcement, there is a concept of annulment by an ad-hoc committee if you want to set aside an award. The ad-hoc committee comprises panel of arbitrators, each country can nominate 5 persons. An arbitrator is not qualified to hear an arbitration involving his own country. In the case of Non-ICSID arbitrations such as the HongKong International Arbitration Centre (HKIAC), other consequences flow when the seat is where the arbitration centre is – eg. where the proceedings will take place, the court for enforcement, etc. Enforceability of award will be governed by the New York Convention. When it is an ICSID award, the monetary award will be treated as equivalent to a supreme court judgment of the member state.

There are several other forms of international dispute resolution: negotiation, mediation, conciliation, fact-finding and dispute resolution.

Article 25(1) of ICSID

*The jurisdiction of the Centre shall extend to any legal dispute arising directly out of an investment, between a Contracting State (or any constituent subdivision or agency of a Contracting State designated to the Centre by that State) and a national of another Contracting State, which the parties to the dispute consent in writing to submit to the*

*Centre. When the parties have given their consent, no party may withdraw its consent unilaterally*

Regulatory appropriation – The test is whether it amounts to a substantial deprivation of the investment (eg. ADC v. Hungary, APEG v. Turkey).

### ***Investment Law – Ms Olga Boltenko, Prince's Chambers***

ICSID creates procedural obligations, whereas BITs create substantive obligations. This is a reason why you need a second level of consent. Will apply to investments in the Belt and Road Initiative. ILC's Draft ARSIWA - Articles 1, 2, 4, 7 are relevant in this regard

On the question of whether an SOE is acting in its commercial capacity or as an instrument of the State, the case of CMS v. Argentina is important. Where there is excess of authority, a state cannot plead that its organs were *intra vires* - SPP v. Egypt, Kardassopoulos of Georgia. The administrative/political level at which the acts was done is irrelevant to attribution against the State. Matters of attribution are governed by general international law unless regulated in a treaty. Contracts concluded by SOEs, commitments undertaken by SOEs and actions of SOEs bind and attribute liability on the State. The case of Salini v. Morocco was based on claims arising out of the non-payment of the contract price to the claimant in relation to a public procurement contract for the construction of a highway, which had been awarded to the investor through tender. At present, there are many investments in crisis and failed states. Article 2 of the UN Charter and the cases of AAPL v. Sri Lanka, AMT v. Zaire, Congo DRC v. Uganda are relevant.

On the issue of application of treaties to occupied territory, an interesting case is that of *Stabil v. Russia*. The investment was originally in Ukraine territory, but thereafter Russian occupied, then how do you invoke liability, against which State?

Enforcement of commercial awards v. treaty arbitration - GEA v. Ukraine (ICSID)

07<sup>th</sup> July 2025 PM

### ***Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters – by Professor Zhang Wenliang, Renmin University of China***

What is the Judgments Convention? A Convention to provide for the recognition and enforcement of judgments of foreign a jurisdiction

Why do we need such a Convention? Because of its increasing value (legal certainty, cost savings, assets dissipation) and the freedom of movement (of goods, services, capital and labour + judgments)

EU was a pioneer – 1968 Judgments Convention, 2001 Judgments Regulation and 2012 Judgments Regulations recast. Then came the Judgments Project of the Hague Conference on Private International Law (1992-2001), 2005 Choice of Court Convention, and 2019 Judgments Convention.

2005 Choice of Court Convention (38 parties). Less popular compared with the 1959 New York Convention (172 parties). The following are important features of the CCC: choice of courts agreements, shall not decline to exercise jurisdiction, a court of a contracting state other than that of a chosen shall suspend or dismiss proceeding shall suspend or dismiss proceedings to which an exclusive choice of courts agreement applies unless..., shall be recognised and enforced and may be refused only on the grounds specified in the Convention. CCC –limited in scope and limited success.

2019 Judgments Convention – core provisions are Article 4 and Article 7.

China has not signed the Hague Conference on Private International Law HCCH. Instead, it has signed several bilateral agreements, also there is no prohibition of domestic courts recognising foreign judgments, and the threshold for reciprocity is being lowered.

Judgments Convention v. Judgments Recognition by way of multilateral, bilateral and unilateral recognition.

### ***Visit to Court of Final Appeal***

Delegates were given a tour of the Court of Final Appeal.

08<sup>th</sup> July 2025 AM

### ***International Commercial Arbitration – by Mr Adrian Lai, Deputy Secretary-General, AAIL***

#### ***Introduction to arbitration***

Features of arbitration: consensual, party autonomy, no or limited court intervention, judicial nature, private, confidential, flexibility, speedy, due process/natural justice, finality, legally binding, enforceability of award

Types of arbitration: ad-hoc, institutional/administered, conventional (physical + online = hybrid), documents-only, look and sniff, flip-flop / pendulum / baseball or last offer arbitration, statutory arbitration, domestic and international arbitration, investor-state arbitration

In an adversarial (common law) system, court does not intervene unless requested, parties' lawyers are responsible for collecting, collating and presenting evidence, short succinct pleadings

followed by detailed submissions at hearing, full disclosure of documents prior to oral hearing, Counsel decide who should be called as witness, expert witnesses appointed by parties, counsel responsible for examining witnesses and arbitrators only to clarify/amplify, decides on basis of arguments and evidence put forward by parties, orality and last word by claimant/applicant.

In an inquisitorial (civil law) system, there is active participation by neutrals to manage process, neutrals control collection of evidence, no discovery by parties, orders production of documents, decides who to be called as witnesses, expert appointed by neutrals, neutral has priority of examining witnesses, function of neutral to discover truth and apply the law, case presentation by documents

In international arbitrations, there is an amalgamation of both processes, civil procedural laws do not apply, tribunals are proactive and in control, use of full written submissions/witnesses statements, limited orality or oral submissions totally dispensed with – no right to last word, no or limited examination-in-chief and focused cross examination, factual witnesses before expert witnesses, reasonable (not full) opportunity to present case whilst observing principles of fairness and equality (chess clock or guillotine procedure), use of tribunal experts, party-appointed experts (witness conferencing/hot-tubbing, questions by tribunal), allow parties to present case, adduce evidence and present arguments, does not receive evidence from one party in the absence of the other

#### *Matters relating to arbitration*

- The procedural law (*lex arbitri*) is default position if there is no agreement. The substantive law governs rights of parties under the contract, choice of law clause and conflict of laws clause.
- The Arbitration Agreement should be of consent, oral/in writing, terms – essential or incidental (important), effect of missing incidental elements
- Applicable law for interpreting the arbitration agreement: law of enforcing jurisdiction, *lex arbitri*, substantive law chosen by parties, “validation” principle to not create an agreement when no valid one exists, international law, specific elements (formal validity, capacity, non-arbitrability, non-signatory issue, illegality)
- Rights and obligations of the Arbitration Agreement: positive obligation (to arbitrate, good faith, cooperate in the conduct of the process, etc.)
- Breach of obligations – enforce-stay of court proceedings
- Choice of legal seat (determined by party, arbitrator – what to consider when choosing (eg. the seat’s arbitration laws), significance of seat
- Supervisory jurisdiction – jurisdictional challenge, recourse to award matters because it tells you which court can set aside award, judicial assistance

- Procedural law includes the role of tribunal and rules of natural justice – duties to act fairly observing rules of NJ (UNCITRAL Model Law, ICC Rules)/Particulars – notice of hearing, etc
- Purpose of an award – resolving the dispute (finally determine issues, no power to defer the decision, cannot delegate decision-making)
- Provision of reasons (finding of fact, holding of law)

#### *Commercial Arbitration*

- New York Convention – Article II and V
- Basis for the UNCITRAL Model Law 1985/2006
- Jurisdictional requirements
- Doctrine of separability – presumption of UNCITRAL Model, consequence and importance
- Competence – competence doctrine, Article 16 of UNCITRAL Law, it is in compliance with rules of national justice, reviewability by the court)
- Role of tribunal and rules of natural justice – duties to act fairly observing rules of NJ (UNCITRAL Model Law, ICC Rules) / Particulars – notice of hearing, etc
- Powers of tribunals
- Costs of arbitration (reference and award), costs to follow the event, costs in the cause/costs in the arbitration, costs reserved

#### *International Commercial Arbitration*

Significant developments – 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (NYC) / 1985 UNCITRAL; 2006 UNCITRAL revised. Currently, there are 172 State parties to the NYC. Important provisions thereof are:

- Article II – what is an arbitration agreement, court has a limited role under Article II(3)
- Article III – Shall recognize arbitration awards, but ought to be read as including “arbitral agreements”
- Article V(1) – recognition and enforcement of the award **may be** refused only on the grounds set out thereunder. These grounds are exhaustive, procedural rules / supervisory court – is the courts of the seat, enforcing court – is any one of the 172 countries, so common law jurisdictions have interpreted Article V to mean that courts have a discretion whether or not to refuse
- Article V(3) – recognition and enforcement of the award **may be** refused if the enforcing court finds that the subject matter is not capable of settlement by arbitration under the law of that country or it would be contrary to public policy of the enforcing country; “public policy” must be narrowly interpreted
- Article VI – if an application for setting aside or suspension is, the enforcing court may await the decision of the enforcing court

- Article VII – the provisions of the NYC shall not affect the validity of a multi-lateral or bilateral agreement between countries re recognition of foreign arbitral awards

#### UNCITRAL

- Importance of Article 16(1)
- The tribunal can rule on its own jurisdiction, doctrine of separability
- Competence-competence doctrine – is it in compliance with rules of natural justice? What is the reviewable court?
- Recourse against awards in supervisory jurisdiction: setting aside or annulment – only procedural defects, appeal on points of law – permission of court of appeal is needed
- Appeals in general v. finality of arbitration
- Remittance – if the issue or argument is not considered the matter can be sent back for arbitration
- In England there is no distinction between domestic and international arbitration. Singapore makes a distinction. It is advisable to have this distinction so a country can develop domestically and then move on to the level of an international arbitration centre
- Article 34 – similar to Article VI of NYC except that recognition and enforcement of the award *may be* refused if the enforcing court finds that the subject matter is not capable of settlement by arbitration under the law of that country or it would be contrary to public policy of the law of the seat

Other important issues: Mutual arrangement between HongKong and Mainland China on enforcement of arbitral awards, as well as on interim measures.

08<sup>th</sup> July 2025 PM

#### ***International Organization for Mediation – by Dr. Sun Jin, Director of the Preparatory Office, International Organization for Mediation (IOMed)***

There is a growing demand for mediation in the international community, but there is no intergovernmental organization dedicated to mediation. Therefore, China proposed the concept in 2022 and the IOMed preparatory office was set up and the IOMED Convention was adopted originally by 33 signatories. The Headquarters are in HongKong (Wan Chai Police Station was converted). The IOMed is consistent with the purpose and principles of the UN Charter.

Why mediation? It is an important method of dispute settlement, important part of ISDS – according to UNCTAD and WTO, 30% of international investment agreements provide for mediation procedures. It is needed in view of the downside of ISDS arbitration (eg. foreign

countries using arbitration mechanisms to challenge policies of countries, inconsistent arbitration awards, lengthy and costly procedures, issues regarding impartiality and independence).

History of mediation can be found in disputes between 1825 Portugal and Brazil, 1938 Bolivia and Paraguay, 1971 Chile and Argentina, 1977 Kenya, Uganda and Tanzania. Previously, there was a practice of establishing conciliation commissions to deal with cases – 1929 Chaco Commission, 1956 Italo-Swiss Commission, 1981 Iceland-Norway, Jan Mayen Continental Shelf Conciliation, 2016 Timor-Leste and Australia, etc. Features of *Jan Mayen* case – mutual commitment to peaceful resolution, neutral and expert leadership, reliance on scientific expertise, focus on shared interest and flexibility in recommendations, emphasis on long-term collaboration.

Advantages of mediation - Cooperation over confrontation, voluntariness and state control of the process, flexibility of outcomes, neutrality and expert input, cost-effectiveness

The “5Cs” of IOMmed – commitment, convention, credibility, capability and coordination

*Hongkong Convention on the IOMed – 11 Chapters and 63 Articles*

Preamble, I. Establishment of the IOMEd, II, Governing Council. III. Secretariat, IV. Panels of Mediators, V. Scope of cases, VI. Mediation Procedure, VII. Settlement Agreements, VIII. Capacity Building. IX. Financing, X. Privileges and Immunities, XI. Final clauses

Significant features are as follows:

- IOMed may also provide services for non-member states, the scope of cases include those involving a third state
- operates in the context of a non-unified legal system
- The governance and structure of IOMed is two-tiered – Governing Council is the decision-making body comprising one representative of each Contracting State / Secretariat is composed of the Secretary-General, one or more DSGs and other officials and staff
- Two Panels of Mediators – Panel of State-to-State Mediators and General Panel of Mediators. Contracting States and the governing council are entitled to designate persons to the panel of mediators.
- Mediation Procedures – State-to-State Mediation Rules and International Commercial and Investment Mediation Rules, key principles of mediation apply.

- Settlement Agreement – any settlement agreement is duly binding on the parties in good faith, by signing the settlement agreement parties agree that they will be relying on it for enforcement.

### ***Visit to the Independent Commission Against Corruption (ICAC)***

Delegates were given a tour of the ICAC.

09<sup>th</sup> July 2025 AM

### ***Visit to the Department of Justice***

Delegates visited the Department of Justice.

### ***International Financial Centre – by Dr. Anthony Neoh, Co-Chairman, AAIL***

#### *Post-second world war economic order*

- New organizations: UN based on Westphalian principles / IMF (agreement between IMF and WB) / Development of GATT from 1947 / WTO in 1995
- USD became the international currency with pledge of US govt that anybody who has fine gold can exchange it for USD 35. Therefore, after WWII, all the countries begin to peg their local currencies to USD
- Then the currencies began to float, in the 1960s Kissinger entered into a secret deal with Saudi Arabia to ensure that oil will only be traded in USD (“petrol dollar”)
- All countries have a SDR except HongKong
- US Marshall Plan required countries to have certain standards in order to trade in USD
- 4 Asian Dragons emerge (Taiwan, Hongkong, Singapore and Thailand)
- Consequently, in the 1970s, US begins to outsource their manufacturing so they build their financial market, other countries begin to trade with US and then the US financial market further builds

#### *Evolution of the Developing World Multilateral Architecture and World Monetary Order*

- Trades have skyrocketed in the past century giving rise to several issues: Trade and Balance Payments Deficit (because you cannot at the same time be a financial empire and a manufacturing empire), currency misalignment, fragility of global supply chains, proliferation of FTAs, Trump Tariffs Revolution
- Additions to WWII Financial Architecture: global Intergovernmental: IBRD, Multilateral Development Banks, Regional Development Banks, Bank of International Settlements,

International Accounting and Sustainability Standards Board, International Auditing and Assurance Standards Board, The Financial Stability Board, OECD, IMF: Post Bretton Woods SDR Arrangement

- Mundorf-Fleming Trilemma – Free capital mobility v. exchange rate management v. monetary economy. You cannot have all three, only two at a time, but US President Trump is trying to have all three. His options are to increase national debt, increase money supply, manage inflation, create new jobs and remain global reserve currency
- Workings of IMF – members voting power based on percentage of holdings, SDR composition, special drawing rights

### *Digital Revolution*

Difference between Gold and Crypto Currency:

- Tangibility – physical asset v. 100% digital asset
- Supply – grows slowly via mining v. capped
- Portability
- Divisibility
- Volatility
- Track record
- Regulation
- Utility

As Global Financial Centres emerge, the HongKong International Financial Centre is also established in 1998. There are five areas for competitiveness to have a highly-ranked IFC.

### *Digital Asset Trading*

- The Concept of Real-World Assets (RW) Tokenization: Tokenization is the unitization of assets
- A blockchain system and a smart contract are required to support this type of trade
- RWA Finance, Asset Tokenization, Asset Standardisation, Underlying RWAs
- HongKong's regulation of block change transactions
- Crypto in the form of assets v. means of exchange
- Already there are legal provisions for electronic transactions
- In about 10-15 years we will probably see financial systems being operated by blockchain systems. However, China imposed a ban on blockchain technology because it could be a tool for money-laundering

Pursuant to an MOU signed between the China-AALCO Exchange and Research Program on International Law (CAERP) and the Asian Academy of International Law (AAIL) in 2017, AAIL has

been providing the Hong Kong SAR Session of the Training, which aims to promote capacity building of AALCO's Member States in the field of international law by carrying out relevant training, discussion and research activities on international law.

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***International Air Law – by Prof. Huang Jiefang, Secretary-General, AAIL)***

- Evolution of the international air law system
- Contemporary challenges, particularly in formulating a regulatory mechanism under international law

***International Law Framework Regulating the Outer Space – by Dr. Anthony Neoh, Co-Chairman, AAIL***

- Introduction to legal challenges arising from the exploration and travel to outer space
- Challenge of sustainability

***Graduation Ceremony***

The HongKong leg of the training program concluded with a graduation ceremony held at the main venue of the training sessions – AAIL. Myself and the delegate from Hong Kong expressed remarks in appreciation. Certificates were awarded to all the delegates.

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