

Hong Kong Introduces COVID-19 Online Dispute Resolution Scheme

APRIL 27, 2020

The Hong Kong Government has announced a series of measures to support individuals and businesses affected by COVID-19. With regards to the legal sector, the COVID-19 Online Dispute Resolution (ODR) Scheme is planned to be launched in June 2020. In the meantime, preliminary information concerning the operation of the ODR Scheme has been provided by the Secretary for Justice.

Since the outbreak of COVID-19, an upsurge in disputes related to the outbreak has been anticipated. In order to “provide speedy and cost-effective means to resolve such disputes, especially for those involving micro, small and medium-sized enterprises (MSMEs) that may be adversely affected or hard hit by the pandemic,” the ODR Scheme intends to cover COVID-19 disputes for claims up to HK\$500,000.

In order for a dispute to fall within the scope of the ODR Scheme, the following conditions must be satisfied:

1. either one of the parties (claimant or respondent) must be a Hong Kong resident or company;
2. each party will be required to pay HK\$200 in registration fees; and
3. the parties are required to enter into a dispute resolution agreement consenting to the use of the ODR Scheme.

The ODR Scheme provides a multi-tiered dispute resolution mechanism premised on the Government’s “Mediate First” policy, as follows:

1. first, the parties will attempt to negotiate their disputes;
2. if negotiations are not successful, the parties will then attempt mediation; and
3. if mediation does not successfully result in settlement, the parties can then proceed to arbitration for a final and binding award.

This mechanism is intended to resolve disputes in a fast and effective way, so as to enable parties to preserve their long-term business relationships. Thus, each step will be required to be taken within a limited period of time.

The parties are free to appoint mediators and/or arbitrators of their choice. However, if the parties cannot agree on the appointees, the ODR Scheme will also provide a mechanism for appointment.

It is envisaged that further details on the ODR Scheme will be provided by the Government before its planned launch in June 2020. We advise clients to stay alert for further updates so that they can consider whether the ODR Scheme may become a useful tool.

If you have further questions, contact your Winston relationship attorney for more information. View all of our COVID-19 perspectives [here](#). Contact a member of our COVID-19 Legal Task Force [here](#).

2 Min Read

Related Locations

Charlotte

Chicago

Dallas

Houston

Los Angeles

New York

San Francisco

Shanghai

Silicon Valley

Washington, DC

Related Topics

COVID-19

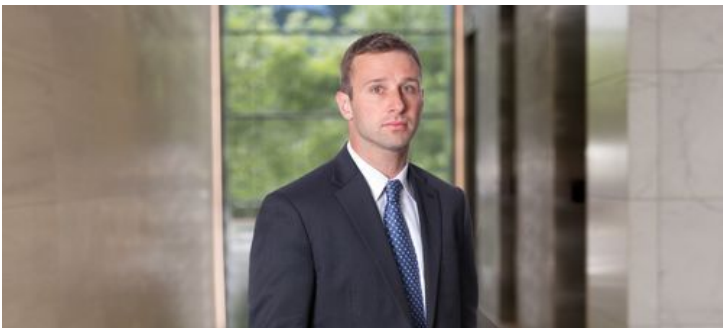
Hong Kong

Dispute Resolution

Related Regions

Asia

Related Professionals



[Steven Grimes](#)