

HK International Arbitration Centre Gives Guidance on Mechanisms for Related Arbitrations and Disputes Arising Out of the Same Transaction

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On 20 January 2025, the Hong Kong International Arbitration Centre (HKIAC) published a “[Practice Note On Compatibility of Arbitration Clauses under the HKIAC Administered Arbitration Rules](#)” (Practice Note). The Practice Note concerns Articles 28 and 29 of the 2018 and 2024 HKIAC Administered Arbitration Rules (HKIAC Rules), which respectively set out procedural mechanisms for (i) multiple related arbitrations to be consolidated and (ii) disputes arising out of multiple contracts to be heard in a single arbitration.

The Practice Note explains the HKIAC’s general practice in assessing the compatibility of arbitration agreements in multi-party, multi-contract scenarios under these provisions of the HKIAC Rules, and how it approaches the constitution of arbitral tribunals in circumstances where claims are heard in a consolidated or single arbitration. The Practice Note also provides guidance on the HKIAC’s approach in balancing party autonomy, the integrity of the arbitral proceedings and ensuring equal treatment of the parties when reaching its decisions under Articles 28 and 29.

Background: Articles 28 and 29 of the HKIAC Rules

A common feature of international commercial transactions is that the parties’ rights and obligations may be governed by multiple related contracts. A typical cross-border M&A transaction, for example, might involve a share purchase agreement, a shareholders’ agreement, security agreements and intellectual property documentation. Such agreements may involve multiple parties, not all of which are counterparties to the same agreement.

A dispute arising out of the transaction may therefore concern the rights and obligations under different agreements and/or between different counterparties. Where arbitration has been agreed as the mean of dispute resolution, Articles 28 and 29 of the HKIAC Rules provide mechanisms pursuant to which multiple related arbitrations can be consolidated and disputes arising out of multiple contracts can be heard in a single arbitration, even where the parties may not all be bound by the same arbitration agreement:

- a. Pursuant to Article 28, the HKIAC has powers to consolidate two or more arbitrations into a single arbitration where **any one** of the following conditions are met:
(i) the parties agree to consolidate; (ii) all of the claims in the arbitrations are made under the same arbitration agreement; or (iii) where a common question of law or fact arises in all of the arbitrations, the rights to relief claimed arise out of the same transaction or a series of related transactions and the arbitration agreements are compatible.
- b. Pursuant to Article 29, claims arising out of multiple contracts may also be made in a single arbitration where **all** of the following conditions are met: (i) a common question of law or fact arises under each arbitration agreement; (ii) the rights to relief claimed arise out of the same transaction or a series of related transactions; and (iii) the arbitration agreements under which those claims are made are compatible.

The Practice Note

The Practice Note makes clear that the arbitration agreements need not be identical to be compatible, but any differences must be surmountable by the parties, the tribunal and/or the HKIAC. The Practice Note further emphasizes that, when making decisions under Articles 28 and 29, the HKIAC adopts a pragmatic approach and its overriding aim is to facilitate a fair and speedy resolution of the dispute without unnecessary expense.