

**Indian Government declares China (including the Hong Kong SAR) as a territory to which the New York Convention applies**

The Indian Government has declared that China (including the Hong Kong SAR) is a territory to which the New York Convention applies under the Indian Arbitration and Conciliation Act 1996 ("the Act"). A notification to this effect was published by the Ministry of Law & Justice in India on 19 March 2012.

Both India and China are signatories to the New York Convention, which they ratified in 1960 and 1987 respectively. However, Part II of the Act, which governs the enforcement of New York Convention awards in India, only applies to awards rendered in jurisdictions notified by the Indian Government in the official Gazette as jurisdictions in which the New York Convention applies. Whilst most of the major international arbitration centres lie within such jurisdictions, the most notable exception was Hong Kong which, until now, had not been notified. This was a significant omission and had encouraged parties in India-related contracts to choose a seat of arbitration other than Hong Kong. This should no longer be the case.

This notification will provide long-awaited clarity regarding the enforcement of Hong Kong awards in India and, therefore, an additional choice of seat for India-related commercial contracts. Given the increasing volume of Sino-India trade, Hong Kong is likely to now prove a popular seat of arbitration for disputes arising out of those transactions, not least due to its pro-arbitration legal system.

In the wake of this notification competition is likely to increase between Hong Kong and Singapore to seat India-related arbitrations. It will be interesting to observe how this impacts parties' choice going forward.

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