

## **Mediation Mechanism for Investment Disputes officially implemented under the Investment Agreement of CEPA**

The first meeting of the Committee on Economic and Trade Co-operation between the Mainland and Macao was held today (12) in Macao. The meeting finalised the work on the Mediation Mechanism for Investment Disputes, which was agreed by the two sides to be published and officially implemented. In December 2017, the Mainland and Macao signed the Investment Agreement under CEPA. In its respect of investment protection, the two sides jointly established a dispute resolution solution that conforms with the “One Country, Two Systems” principle and accommodates the needs of the two places, comprising of amicable consultation, complaint coordination, notification and coordination of the Committee on Investment, mediation and judicial proceedings, to provide a comprehensive and effective systematic arrangement for remedy and protection of the rights of investors of the two places.

Since the signing of the Agreement, the Mainland and Macao have been carrying out close consultations and, under their joint efforts, have established the Mediation Mechanism for Investment Disputes, under which an investor of one side who is in an investment dispute with authorities or institutions of the other side may seek to resolve the dispute by means of mediation by following the principles and conditions detailed in the Mechanism.

To support the implementation of the Mechanism, the Macao Economic Bureau (DSE) will provide assistance for mediation of investment disputes, helping Mainland investors to refer their mediation requests to the disputing sides and mediation institutions.

Currently, the institutions providing mediation services in Macao to Mainland investors are the World Trade Center Macau Arbitration Center and the Macau Lawyers Association Mediation and Conciliation Centre; and there are two institutions providing mediation services in the Mainland to Macao investors, namely the China Council for the Promotion of International Trade/China Chamber of International Commerce (CCPIT/CCOIC) Mediation Center and the China International Economic and Trade Arbitration Commission.

Participation in mediation is optional to both sides on a voluntary basis. It can provide a favourable atmosphere that encourages both sides to narrow down their differences and eventually reach a settlement. The Investment Agreement of CEPA seeks to resolve investment disputes by means of mediation, which is an economically efficient measure for further achieving the Agreement's major objective of strengthening protection of investors of the Mainland and Macao.