

# Disputes turn virtual as virus hits arbitration

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# Disputes turn virtual as virus hits arbitration

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The coronavirus has triggered a surge in demand for online resolution of commercial disputes from companies and arbitrators that are seeking to minimise face-to-face contact.

Two major international arbitrations have also been moved from Hong Kong to Melbourne at the suggestion of Melbourne-based arbitrator Michael Pryles who is planning to shift more of his international practice online because of the pandemic.

Dr Pryles, who is a former chairman of the Singapore International Arbitration Centre, said that with more countries restricting travel it was time to make greater use of video conferencing for major private arbitrations.

"Having just been involved in a matter by video, why can't we make greater use of the existing technology and run major hearings by video link?" he said.

The two international arbitrations moving from Hong

Kong to Melbourne meant the parties, neither of whom was from Hong Kong, would be bringing teams of up to 50 lawyers for the two-week hearing.

"I said 'let's have it in Melbourne'. It's clean, safe, the government's in control and I prefer not to get in a plane and fly," said Dr Pryles who has an international practice spanning the US, Europe and Asia. "This is affecting industry everywhere and it is affecting international arbitration."

A third major international arbitration was to have taken place in Hong Kong but instead went ahead by video.

"The presiding arbitrator is an English law lord and he sat in London with the parties in front of him, and I attended by video link from Melbourne," said Dr Pryles. He did not believe the pandemic would "kill" Hong Kong as a centre for international commercial arbitration but its future as an arbitration centre was not as "rosy" as that of Singapore.

Even before the impact of coronavirus, business confidence had been affected by street demonstrations. "Hong Kong is definitely in the medium to long term in decline compared to Singapore. It does give Australia an opportunity to pick up more," he said.

Any long-term benefits for Australia would depend on the severity of the pandemic "but at the moment, we look like a comparatively safe place, thankfully".

Online dispute resolution company Immediation said there had been a spike in demand for its services from organisations that are seeking to avoid travel to the regional arbitration hubs of Singapore and Hong Kong.

Immediation, which deals with disputes entirely online, has a panel of 90 independent legal experts including former senior judges and tribunal members as well as leading silks, barristers, arbitrators and mediators.

"We are definitely seeing a spike related to the immediate impact on Hong Kong. We have had

a number of inquiries related to international arbitrations that could no longer proceed," said Immediation founder Laura Keily.

It had also experienced a surge in inquiries from small businesses that had been adversely affected by the disease. "Small business is clearly under a lot of pressure," she said. "It is coming in the form of pressure to terminate employees, to terminate supply contracts, being unable to pay their leases and licences. There is a spike in business-related issues which necessarily gives rise to business-related disputes."

Last year, when Immediation was launched, it had \$1.8m in funding from investors, including boutique investment firm SG Hiscock, corporate broker Patersons Securities and advisory firm Alto Capital.



Pryles

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Laura Keily  
IMMEDIATION FOUNDER