

China-Africa Joint Arbitration Centre created

Establishing South Africa on the international arbitration stage, the Arbitration Foundation of Southern Africa (AFSA) has announced the creation of the China-Africa Joint Arbitration Centre (CAJAC).

CAJAC, which will operate from South Africa and China, is the result of an agreement between AFSA, Africa ADR (AFSA's external arm), the Association of Arbitrators and the Shanghai International Trade Arbitration Centre. The CAJAC is supported by the China Law Society and the Beijing Consensus signatories and will be the authorised China - Africa Arbitration and Mediation Institute.

The Beijing consensus is a document signed by a wide range of Chinese trade commissions, arbitral bodies and universities, as well as delegates from Africa, which identifies the pressing need to establish a China-Africa Dispute Resolution mechanism in support of mutual trade and investment.

The China Law Society will be visiting Johannesburg in August to monitor progress in setting up the China-Africa Arbitration Centre. At a meeting with South African stakeholders on 17 August 2015, the Beijing Consensus document will be supplemented by the signature of a similar Johannesburg Consensus by all stakeholders in the initiative.

Des Williams, head of Werksmans Attorneys' Arbitration Practice Group, said, "Werksmans Attorneys is a founding member of the Arbitration Foundation of Southern Africa and we are proud to be one of the signatories to the Johannesburg Consensus.

"There have been lengthy and frustrating delays in the establishment of South Africa as an important regional arbitration centre. The establishment of the CAJAC is a major step in the right direction."

The Johannesburg Consensus will come into being on 17 August and the signatories will add their support to that of the Beijing Consensus signatories for the CAJAC.

"The establishment of the CAJAC is particularly important, as it will serve as an international arbitration venue for disputes involving parties from China and the whole of Africa. Werksmans will serve on the various committees to be set-up to further the project and will shortly host an event to introduce businesses to the CAJAC and Africa ADR."

He also noted that the introduction of a new International Arbitration Act, expected in early 2016, would modernise South African arbitration law and stimulate the development of South Africa as a regional arbitration centre for arbitrations held under the auspices of well-known organisations, including AFSA and the ICC. These developments also present new opportunities.

No European arbitration

The China Law Society is well resourced and enjoys substantial government support and intends to promote CAJAC to the legal and business fraternities in China, as the approved forum for the resolution of China-Africa commercial disputes.

The China Law Society has also made it clear that its members do not wish to have their disputes submitted to arbitration in the major European arbitration centres. The establishment of partnerships with representatives of the various regions with which China has substantial commercial relations is a key component of the Chinese policy of legal diplomacy.

"The CAJAC represents the culmination of a legal diplomatic initiative holding great promise for Africa's further engagement with China," Williams concluded.

Other signatories to the Beijing Consensus include Africa ADR (AFSA's international arm), other arbitral institutions and a number of Chinese trade commissions.

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