


 香港仲裁師協會
Hong Kong Institute of Arbitrators

Unleashing opportunities from Generative AI and AALCO

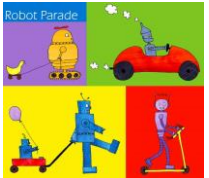
Nick Chan, MH, JP, Lawyer
Director, AALCO Hong Kong Regional Arbitration Centre
Elected Member of the 14th NPC of PRC



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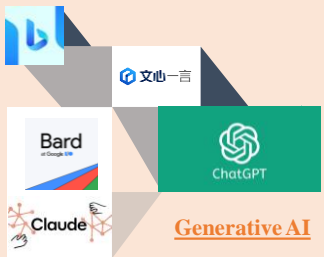
 **Artificial Intelligence**

- The science of making things smart.
- Technology that can reason, interpret, and interact with humans in natural ways.



"robot group 'Zdps' by Wendi Grotz is licensed under CC BY-NC-SA 2.0"

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Generative AI


- Generative AI relies on algorithms to generate human responses to text queries based on data analysis
- Based on that training, instead of simply categorizing or identifying data like other AI, it can create new written, visual and auditory content given prompts or existing data

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Generative AI – GPT

GPT = Generative Pre-trained Transformer

- ChatGPT from OpenAI
 - Large Language Model (LLM), focuses on natural language processing, text analytics and content creation
- Bing from Microsoft
 - Capable of combing through and synthesizing data into answers
 - Plugged into the Bing search engine, capable of searching the internet for additional information
- Ernie Bot (文心一言) from Baidu
 - Literary creation, business writing, mathematical calculation, Chinese language understanding, and multi-modal generation



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How Does It Work

- GPT models are created in two stages:

Pre-Training

- Use a large dataset of text from the Internet to learn the general structure of language
- Learn the general statistical occurrences of words

Fine-Tuning


- Fine-tuned with additional data, using an algorithm called reinforcement learning from human feedback (RLHF), to produce outputs that are preferred by human labellers
- Tailor the model to more specific tasks

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How Does It Work

- “shot” = example
 - Traditionally provided by the user
 - To guide the model in generating a specific output
- “prompt” = input text given to model
 - Used to initiate the generation of a response
 - Usually contains instructions, questions, or context that the model needs to generate an appropriate response
 - The prompt can include one or more shots

BUT...



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How Does It Work

- Zero-shot learning

- A model is pre-trained on a set of classes (seen classes) and then asked to generalize to a different set of classes (unseen classes) without any additional training. The goal of ZSL is to transfer the knowledge already contained in the model to the task of classifying the unseen classes. ZSL is a subfield of transfer learning, which involves adapting a model to a new task or set of classes.

The Model relies on its general understanding of language obtained during pre-training and performs a task without examples.

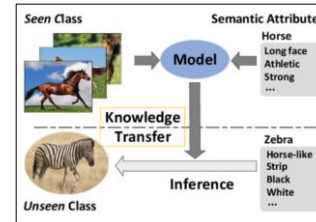
- **Zero-Shot Learning**

The Model is given a small number of examples of the desired output as part of the prompt.

- **Few-Shot Learning**

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How Does It Work



Picture from Know about Zero Shot, One Shot and Few Shot Learning
<https://www.analyticsvidhya.com/blog/2022/12/know-about-zero-shot-one-shot-and-few-shot-learning/>

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How Does It Work – Prompt Engineering

- In prompt engineering, the description of the task that the AI is supposed to accomplish is embedded in the input, e.g. as a question, instead of it being explicitly given
- Typically works by converting one or more tasks to a prompt-based dataset and training a language model with what has been called "prompt-based learning" or just "prompt learning"
- Is not just about designing and developing prompts
 - Encompasses a wide range of skills and techniques that are useful for interacting and developing with Large Language Models (LLM)
- Is an important skill to interface, build with, and understand capabilities of LLMs. Can be used to improve safety of LLMs and build new capabilities like augmenting LLMs with domain knowledge and external tools.



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AI Opportunities

- Reduce labor costs
- Enhance work efficiency
- Can easily analyze massive data to better understand the market and consumer demands
- By analyzing company history and product performance:
 - Offer personalized customer service
 - Improve customer experience
 - Increase customer satisfaction and loyalty

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AI Opportunities – Some Possible Applications

- Acting as a doctor
 - Disease diagnosis, drug discovery, and personalized treatment recommendations
- Evaluating existing social issues
 - evaluate and address social issues by analyzing data and providing insights to decision-makers
- Painting
 - used in art and design to assist with painting and graphic design, providing new tools and techniques for artists.
- Driving autonomously
 - navigate and make decisions on the road or in the air, improving safety and efficiency.

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AI Opportunities – Legal Applications



PHOTO: Public Domain

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Case Study: ChatGPT - AI chatbox developed by research laboratory OpenAI

Colombian Judge Uses ChatGPT To Reach Decision

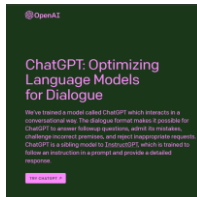
By Kevin Penton · February 6, 2023, 3:53 PM EST

A Colombian judge has acknowledged using ChatGPT as part of his ruling in a case involving whether an insurance company should cover the costs associated with treating a child diagnosed with...

SOURCE: LAW360, Law.com International

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AI Challenges



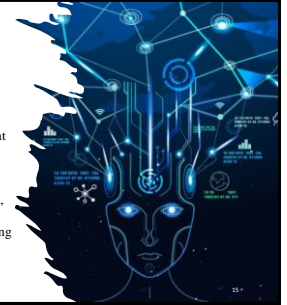
The use of ChatGPT and similar AI tools in the practice of law may raise ethical and malpractice concerns.

PHOTOS: OpenAI

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AI Challenges - Ethical

- **Bias**
 - Since data is the only learning method for AI systems, they may reproduce imbalances or biases present in the original information.
- If users do not understand the underlying principles of generative AI, they may blindly believe biased generated results, ultimately influencing people's thoughts subconsciously.



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AI Challenges - Ethical

- **AI Consciousness**
 - "Powerful digital minds that no one — not even their creators — can understand, predict or reliably control"
- Is it manageable?
- Artificial General Intelligence (AGI)



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Weak AI vs Strong AI

- GPT is weak AI and is only a step toward AGI
- Artificial General Intelligence (AGI) is strong AI
 - Intelligent machines that are indistinguishable from the human mind
 - Can learn to accomplish any intellectual task that human beings or other animals can perform.



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AI Challenges - Ethical

- **Misinformation**
 - Can be misused to create fake news or Trojan programs. AI equipped with graphic creation and recognition abilities can also be used to fabricate images or videos
 - When generating content in a human-like manner, it can be highly persuasive
- **Immoral / Illegal**
 - Even if AI can be set not to respond to immoral or illegal queries, people could bypass these settings, causing AI to generate unethical content



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AI Challenges – Safety

- Using generative AI tools could breach client confidentiality and waive the attorney-client privilege
- Using generative AI tools may lead to inaccurate or misleading advice and work product



PHOTOS: OpenAI

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Case Study: ChatGPT – Possible Privacy Concerns?

- ChatGPT was temporarily banned in Italy on March 31 – the first government to ban ChatGPT due to privacy concerns
- Italy's data protection authority said OpenAI unlawfully collected personal data from users and did not have an age-verification system in place to protect minors



PHOTOS: OpenAI

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Case Study: ChatGPT – Possible Privacy Concerns?

- Singapore
 - Adopt ChatGPT by entering agreement with Azure OpenAI (i.e. constructing the system within a sovereign cloud with special data privacy permissions)
 - Ensure that the data stored by the Singapore government cannot be accessed even by Microsoft and OpenAI



PHOTOS: OpenAI

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Case Study: ChatGPT – Possible Privacy Concerns?

- ChatGPT's New privacy controls
 - Allows all ChatGPT users to turn off chat history
 - Won't be used to train and improve OpenAI's models and won't appear in the history sidebar
 - But will be retained for 30 days and reviewed "when needed to monitor for abuse."
- ChatGPT Business
 - Will follow its API's data usage policies, which means that end users' data won't be used to train our models by default



PHOTOS: OpenAI

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Case Study: Others – Possible Privacy Concerns?

- **Bing**
 - Microsoft's new AI-powered Bing search engine, powered by OpenAI
 - Save what you type in
 - Could leave organizations open to privacy and data risks



PHOTOS: OpenAI

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Case Study: ChatGPT – Possible Law Suit

- Australian mayor threatens to sue over alleged ChatGPT defamation
- The mayor sent a legal notice to OpenAI on March 21 after ChatGPT wrongly implicated him in a bribery and corruption scandal – a crime he actually blew the whistle on
- "I was horrified; I was stunned at first that it was so incorrect,"
- OpenAI's chatbot does carry a disclaimer warning that it "may produce inaccurate information about people, places, or facts".




PHOTOS: OpenAI

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AI Challenges

- Goldman Sachs Report:
 - AI could replace the equivalent of 300 million full-time jobs
 - Generative AI is putting 44% of legal jobs at risk
- Are We Going to be Replaced?



PHOTOS: IBM Asia

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Lawtech examples

- Westlaw Edge by Thomson Reuters
 - Uses natural language processing and machine learning to find relevant cases, statutes, and regulations, and provides insights and analytics on legal issues.
- CoCounsel by Casetext
 - Does document review, legal research memos, deposition preparation, and contract analysis using GPT-4.
- CARA by Casetext
 - Analyzes citations and returns a list of relevant suggested cases not cited specifically in the document.
- LexCheck by LexCheck
 - Automates contract review and negotiation using natural language understanding and deep learning.
- Checkbox.ai by Checkbox.ai
 - Allows lawyers to create automated workflows and decision trees for legal processes.

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Introduction of AALCO and AALCO Hong Kong Regional Arbitration Centre



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AALCO is a major fruit of the First Asian-African Conference (1955, Bandung)



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Asian-African Legal Consultative Organisation



Presidents from People's Republic of China (1984 Annual Session)

YES PRESIDENT

Presidents from Republic of Cameroon (1986 Annual Session)

LEGATON PRESIDENT

Representatives of the Governments of Member States

Advisory Panel

Advisory Panel on the Amendment of the Statute and Statutory Rules: Advisory Panel on Federal Statutes: Advisory Panel on The Centre for Research and Training

AALCO/Statute Revision Group (SRG)

Advisory Body

AALCO SECRETARIAT

Secretary General

H. E. Dr. Kamalwanji Phangphorad

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Roles of AALCO

AALCO is a significant force contributing to

International law developments	Model contracts for international transactions	Protection of investments
E-Commerce	Settlement of international disputes	Shaping various international treaties, the law of the sea
Improving humanitarian laws on the treatment of refugees, environmental and sustainable development	Assisting mutual cooperation on judicial assistance	Developing international law in cyberspace
Tackling pressing global challenges including biodiversity loss and climate change		


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REGIONAL ARBITRATION CENTRE
亞非法協香港區域仲裁中心

Member States of AALCO

AALCO has **47** Member Countries
2/3 of the world's population
Combined GDPs exceeding **US\$26 trillion**
80% of AALCO members countries are **active members of the BRI**



Arab Republic of Egypt; Bahrain; Bangladesh; Brunei Darussalam; Cameroon; Cyprus; Democratic People's Republic of Korea; The Gambia; Ghana; India; Indonesia; Iraq; Islamic Republic of Iran; Japan; Jordan; Kenya; Kuwait; Lebanon; Libya; Malaysia; Mauritius; Mongolia; Myanmar; Nepal; Nigeria; Oman; Pakistan; People's Republic of China; Qatar; Republic of Korea; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; South Africa; Sri Lanka; State of Palestine; Republic of Philippines; Sudan; Syria; Tanzania; Thailand; Turkey; Uganda; Socialist Republic of Vietnam and Republic of Yemen.

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The AALCO
Dispute
Resolution
System

AALCO has **6** Regional Arbitration Centres
Malaysia, Arab Republic of Egypt, Nigeria, Islamic Republic of Iran,
Republic of Kenya, and
the Hong Kong Special Administrative Region of the People's Republic of China

ARBITRATION CENTRES



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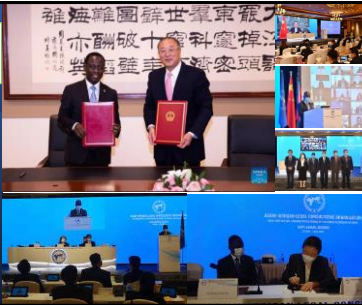
Arab Republic of Egypt; Bahrain; Bangladesh; Brunei Darussalam; Cameroon; Cyprus; Democratic People's Republic of Korea; The Gambia; Ghana; India; Indonesia; Iraq; Islamic Republic of Iran; Japan; Jordan; Kenya; Kuwait; Lebanon; Libya; Malaysia; Mauritius; Mongolia; Myanmar; Nepal; Nigeria; Oman; Pakistan; People's Republic of China; Qatar; Republic of Korea; Saudi Arabia; Senegal; Sierra Leone; Singapore; Somalia; South Africa; Sri Lanka; State of Palestine; Republic of Philippines; Sudan; Syria; Tanzania; Thailand; Turkey; Uganda; Socialist Republic of Vietnam and Republic of Yemen.

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About AALCO
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About AALCO
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About AALCO
Hong Kong
Regional
Arbitration
Centre

Governance Structure



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AALCO-HKRC Facilities, Website and ODR Platform

About AALCO Hong Kong Regional Arbitration Centre

Welcome to AALCO Hong Kong Regional Arbitration Centre Online Arbitration Platform

To resolve disputes by arbitration in accordance with the AALCO Hong Kong Regional Arbitration Rules in force as of May 2022.

AALCO (aalcohkrc.org)

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AALCO-HKRC Online Arbitration Platform

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Sign In

Sign in with your existing account

Or use your email address

Forgot your password?

Don't have an account? **Sign Up**

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Key Objectives

About AALCO Hong Kong Regional Arbitration Centre

1. To act as a coordinating agency in the AALCO dispute settlement system.
2. To promote the growth and effective functions of arbitration institutions and other alternative dispute resolution services, including online dispute resolution services in the People's Republic of China (including Hong Kong).
3. To provide facilities for ADR services including ad hoc arbitrations as well as arbitrations held under the auspices of the AALCO Hong Kong Regional Arbitration Centre and other arbitral institutions.
4. To provide assistance in enforcement of arbitral awards.
5. To promote the wider application of various ADR rules within the Asian and Pacific region.

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Model Arbitration Clause

AALCO HONG KONG REGIONAL ARBITRATION CENTRE

"Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the **AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules.**"

[There are also optional additional language offered for users to express their preference.]

Parties using the model clause could also consider adding:

- a) The number of arbitrators shall be [one/three].
- b) The place of arbitration shall be Hong Kong.
- c) The applicable law of the arbitration agreement and of the procedure for the arbitration conducted under the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules shall be the laws of the Hong Kong SAR.
- d) The language used in the arbitration under the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules shall be [English/Arabic/Chinese/such language as the Parties agreed].
- e) The parties agree that the arbitral tribunal may decide to conduct the hearings via physical and/or online meetings, rather than defaulting entirely to online video hearing platform under Article 28.1 of the AALCO Hong Kong Regional Arbitration Centre Platform Arbitration Rules. The relevant rules, in particular, Article 28.5, only applies if there is any online hearings and to the extent of such online hearings.
- f) The parties hereby waive their right to any form of recourse against an award to any court or other competent authority, insofar as such waiver can validly be made under the applicable law.

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We are here to empower and serve you!

Many advantages:

- Country Neutral Role
- Rule of Law
- Deep Bench of Professionals
- Prime location in CBD for you to use
- Rich Network of Suppliers, Investors and Customers
- Take advantage of QRFSA
- Favourable IP arbitration laws
- Opportunities of BRI, Greater Bay Area and RCEP
- Benefits of New York Convention
- LegalTech Development and ODR

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Please experience the AALCO advantage!

Accessing Best Talents

Utilising Unique Position

Common Law Jurisdiction

Easy to follow Model Arbitration Clauses

LegalTech Knowledge

ODR Mechanism

Best-in-class Dispute Resolution Platform


AALCO Hong Kong Regional Arbitration Centre

The unique advantages are useful not only for fostering investor-state projects (e.g. foreign investors signing a deal with a government) and the resolution of disputes that may arise, but are also perfectly applicable and useful in other situations including Government-to-Government (G2G), Government-to-Business (G2B), Business-to-Business (B2B), Business-to-Consumer (B2C), Peer-to-Peer (P2P), Online-to-Offline (O2O), eCommerce and metaverse related transactions and projects

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International Organizations (Privileges and Immunities) Ordinance (Chapter 558)

Legislative Council



Meeting of Subcommittee on International Organizations (Privileges and Immunities) (AALCO Hong Kong Regional Arbitration Centre) Order

22 September 2022

14:30

Conference Room 28

Director of AALCO-HK, Mr Nick Chan, MP, JP Lawyer, attending the Legco Meeting with the Subcommittee on International Organizations (Privileges and Immunities) (AALCO Hong Kong Regional Arbitration Centre) Order on 22 Sep 2022

22/9/2022

14:30

Conference Room 28

Regional arbitration centres under the auspices of AALCO function as international institutions

To give effect to the Centre's legal status, and the privileges and immunities of the Centre and its personnel

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AALCO HONG KONG REGIONAL ARBITRATION CENTRE 亞洲法協會香港區域仲裁中心

Department of Justice Government of the Hong Kong Special Administrative Region

Press Releases

Institutions qualified for interim measure applications announced

The Department of Justice (DJ) announced today (March 30) the following updated list of qualifying arbitral and dispute resolution institutions and permanent offices under Article 2(1) of the Arrangement Concerning Mutual Assistance in Court-ordered Interim Measures in Aid of Arbitral Proceedings by the Courts of the Mainland and of the Hong Kong Special Administrative Region (Arrangement) effective from April 2, 2023 (based in arbitrary order):

Hong Kong International Arbitration Centre

Hong Kong Maritime Arbitration Group

Saudi China International Arbitration Centre (SIAC)

HKIMM International Online Dispute Resolution Centre

AALCO Hong Kong Regional Arbitration Centre

China International Economic and Trade Arbitration Commission Hong Kong Arbitration Centre

International Court of Arbitration of the International Chamber of Commerce - Asia Office

Under the Arrangement signed on April 2, 2015 between the DJ and the Supreme People's Court, parties to arbitral proceedings seated in Hong Kong and administered by eligible arbitral institutions which have been designated would be able to apply for interim measures from the relevant Mainland courts.

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AALCO HONG KONG REGIONAL ARBITRATION CENTRE 亞洲法協會香港區域仲裁中心

International Organizations (Privileges and Immunities)

Section 3 declares that the provisions of the Agreement as set out in the Schedule to the Order have the force of law in Hong Kong; and

The Schedule contains the provisions of the Agreement which have the force of law in Hong Kong, and the provisions are –

Article V, which provides for the recognition of the juridical personality of the Centre;

Article VI, which relates to the interpretation of the Agreement;

Article VII, which provides for the privileges and immunities of the Centre and its personnel

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Hong Kong's Advantages in International Arbitration and ODR Services



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Why Hong Kong

One Country, Two system & Common Law Jurisdiction

One of the most-preferred seats in the world

Advanced legislative framework for arbitration

Independent and pro-arbitration judiciary comprised of local and international judges

Access to enforcement of arbitral interim measures in Mainland Chinese courts

Free choice of legal representation and arbitrators

World-class multilingual legal and industry professionals

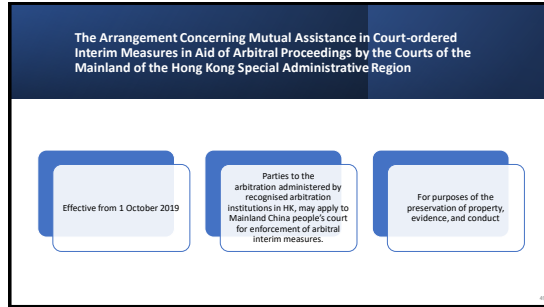
Strong expertise in arbitrating disputes with Chinese elements

Global enforceability of Hong Kong awards

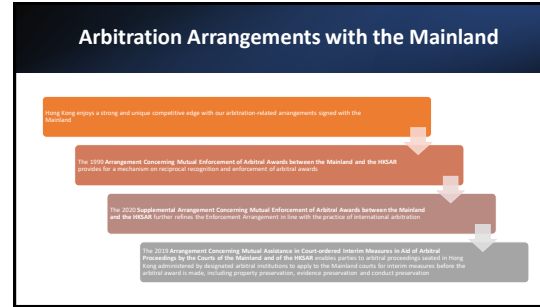
Convenient location with a visa-free scheme for eligible arbitration participants

Strong Technology support to arbitration

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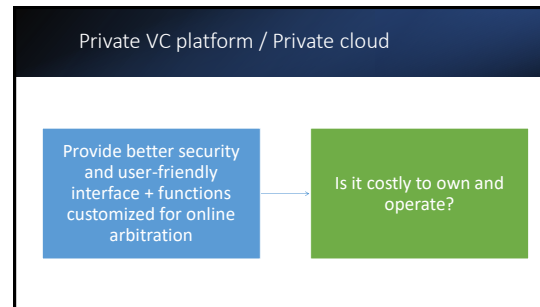
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**Unleashing opportunities from
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Nick Chan, MH, JP, Lawyer
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Elected Member of the 14th NPC of PRC

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