

Insights



Wade Weems and Calvin Koo Look at the First Few Months of Hong Kong's National Security Law in China Business Review

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Five months since the promulgation of the Hong Kong national security law, legal and commercial uncertainty for U.S. businesses in the territory is still high. As most international companies continue a “wait and see” approach, Kobre & Kim’s Wade Weems and Calvin Koo examine the current and coming risks facing them in an article for the U.S. China Business Council’s *China Business Review*.

The national security law has already been used to arrest people, and companies need to be mindful of its extraterritorial reach. Although the Hong Kong judiciary and regulators have sought to reassure companies, messaging has been mixed, and the reactions of Western powers, particularly the U.S., has further added uncertainty.

As such, the main risks stem from the confluence of local and foreign actions over Hong Kong. U.S. and Hong Kong laws increasingly conflict. Foreign cooperation has collapsed, and U.S. sanctions threaten those with commercial links to Hong Kong. All these may lead to shifts in commercial plans and contractual terms, sparking potential commercial disputes. A comprehensive risk assessment to examine cross-border exposure will be needed to face these new challenges.

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