

International Arbitration Laws in Oman

1. Law of Arbitration in Civil and Commercial Disputes

Royal Decree 47/97

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Of the Law of Arbitration

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The Omani Law of Arbitration in Civil and Commercial Disputes – Royal Decree 47/97

Issuing the Law of Arbitration in Civil and Commercial Disputes

We, Qaboos bin Said, Sultan of Oman

After perusal of the Basic Law of the State issued by the Royal Decree 101/96, and

Royal Decree No. 79/81 regarding establishment of the Commercial Court and the amendments thereto, and

Royal Decree No. 32/84 issuing the regulations for entertaining the suits and applications for arbitration filed with the Commercial Court and the amendments thereto, and

Royal Decree No. 55/90 issuing the Commercial Law and the amendments thereto, and

In accordance with the exigencies of public good

HAVE DECREED AS FOLLOWS

The provisions of the attached Law of Arbitration in Civil and Commercial disputes shall be applicable.

Article 2: The Minister of Justice, Awqaf and Islamic Affairs shall issue necessary decisions for implementation of the provisions of this Law.

Article 3: Any provisions that contradict the provisions of this Law shall be considered as abrogated.

Article 4 This Decree shall be published in the Official Gazette and shall take effect from the date of its publication.

Qaboos bin Said
Sultan of Oman.

Issued on - 22Safar 1418 Hij
June 28, 1997 A D

Official Gazette - Volume 602.

LAW OF ARBITRATION IN CIVIL AND COMMERCIAL DISPUTES

CHAPTER (1)

General Provisions:

Article 1:

Without prejudice to the provisions stipulated in the international treaties operative in the Sultanate, the provisions of this Law shall be applicable to any arbitration between persons under public or private law, irrespective of the nature of legal relationship on which the dispute is based, provided the arbitration takes place in the Sultanate or in case of international commercial arbitration taking place abroad, provided the parties to it have agreed to submit themselves to the jurisdiction of the provisions of this Law.

Article 2

The arbitration shall be considered as commercial, in the context of this Law, provided the dispute is based on the legal relationship arising out of an economic activity, irrespective of whether it is in the form of a contractual agreement or not. This shall include, as a matter of example, supply of goods or services or commercial agencies, construction contracts, contracts relating to engineering or technical expertise, grant of industrial and tourism licenses, etc., transfer of technology, investment, development contracts, bank operations, insurance, transport, exploration and extraction of natural wealth, power supply, laying of gas and petroleum pipe lines, building of roads and tunnels, reclamation of agricultural lands, environmental protection and establishment of nuclear reactors.

Article 3

The arbitration shall be considered as international, in the context of this Law, provided the subject matter of the dispute is related to international commerce under the following circumstances: -

1.

in case, the principal business centre of either party to the arbitration is located in two different countries at the time of execution of the arbitration agreement. However, if one of the parties has several business centers, the centre, which is very much relevant to the subject matter of the arbitration agreement, shall have to be taken into consideration. If one of the parties to the arbitration does not have a business centre, the place of his domicile shall be taken into consideration.

2.

in case, both parties to the arbitration have agreed to have recourse to either a permanent arbitration organization or arbitration centre located either in the Sultanate of Oman or abroad.

3.

if the subject matter of the dispute, which comes under the arbitration agreement is linked with more than one country.

4.

if the main business centre of either party to the arbitration is based in the same country at the time of execution of the arbitration agreement while one of the following places are based outside such country: -

1.
the place of arbitration, as stipulated in the arbitration agreement or there exists a reference regarding the mode of its selection;
2.
the place where execution of the substantial part of the obligations, arising from the commercial relationship between the parties, has to be carried out;
3.
the place which is very much relevant to the subject matter of the dispute;

Article 4

1.
The expression "Arbitration" shall mean, in the context of this Law, the arbitration agreed upon by both the parties to the dispute at their own free will, irrespective of whether the body which would be attending to the arbitration proceedings, in accordance with the agreement between the parties, is an organization or a permanent arbitration centre or otherwise.
2.
The term "Arbitration Board" shall mean the board constituted comprising of one or more arbitrators to decide in respect of the dispute referred to the arbitration. However, the expression "Court" shall mean the Commercial Court or its Appellate Circuit as per the circumstances.
3.
The term "Parties to the Arbitration" shall mean, in the context of this Law, the parties to the arbitration even if they are multiple in number.

Article 5

In the circumstances under which this Law permits the parties to the arbitration to choose the procedure to be adopted in a specific issue, either party may authorize a third party to choose such procedure. In this regard, the third party may be any arbitration organization or centre based either in the Sultanate of Oman or abroad.

Article 6

1.
The parties to the arbitration shall have the liberty to opt the Law, which the arbitrators shall be required to apply in respect of the subject matter of the dispute.
2.
If both the parties to the arbitration agree to subject to their legal relationship to the provisions laid down in a standard contract or international treaty or any other document, the

provisions of such a document shall be applicable including the provisions relating to the arbitration.

Article 7

1.

Unless there is a specific agreement between the parties to the arbitration, any letter or notice shall be served to the addressee personally or delivered at the place of his work or domicile or sent to his postal address known to the parties or referred to in the arbitration agreement or the document governing the subject matter of the arbitration.

2.

In case of failure to find out one of these addressed after conducting necessary enquiries, it shall be deemed to have been delivered if the notice is sent by registered mail to the last place of the addressee's business / work or place of domicile or to the known postal address of the addressee.

3.

The provisions of this Article shall not be applicable in respect of the court judicial notices.

Article 8

In case, one of the parties to the dispute coming under the arbitration proceedings, knowingly continue to bear with the breach of any condition stipulated in the arbitration agreement or provided for in this Law, which as per the agreement can be contested and fails to raise an objection to the said breach/violation within the period agreed upon or within sixty days from the date he comes to be aware of it, in the absence of an agreement, it shall be deemed to be waiver of his right to raise the objection.

Article 9

The Commercial Court shall have the jurisdiction to entertain the issues of the arbitration referred to Oman judiciary as per this Law. However, in case of arbitration concerning international trade and commerce, the Appellate Circuit of the said Court shall have the jurisdiction to look into it, irrespective of whether the proceedings take place either in Oman or abroad.

CHAPTER (II)

ARBITRATION AGREEMENT

Article 10

1.

Arbitration agreement is the agreement as per which its parties agree to refer to arbitration for

settlement of all or some of the disputes which have arisen or may be arising between them in connection with specific legal relationship, whether such relationship is contractual or not.

2.

The arbitration may take place in a manner stipulated in the arbitration clause of a specific agreement prior to the occurrence of the dispute or in a manner agreed upon in a separate agreement executed after the occurrence of the dispute, even if a suit has been filed with a judicial body concerning the same. In such a case, the agreement shall have to specify the issues, which would come under the purview of the arbitration, otherwise, the agreement shall be considered as null and void.

3.

Any reference made in the contract to a document containing an arbitration clause shall be considered as an agreement on arbitration provided the said reference is clear in treating this clause as an integral part of the agreement.

Article 11

Only the natural or juristic persons, who are legally competent to exercise their rights, shall be permitted to enter into an agreement on arbitration. It shall not be permissible to have arbitration in respect of the issues, which are not subject to reconciliation/compromise.

Article 12

Arbitration agreement shall have to be in writing, otherwise, it shall be treated as invalid. The arbitration agreement shall be treated as written provided it has been contained in an instrument in writing duly signed by both the parties or contained in correspondence exchanged between both the parties by way of letters or telegrams, etc., as means of written communication.

Article 13

1.

The Court, before which a suit is filed with regard to a dispute in respect of which an arbitration clause exists, shall dismiss the suit provided the defendants plead for the same prior to him having submitted any petition or defence in respect of the suit.

2.

The filing of the suit referred to in the preceding paragraph shall not prevent the commencement or continuation of the arbitration proceedings or the passing of an award concerning the arbitration.

Article 14

The Court, referred to in Article 9 of this Law, on the basis of a request made by one of the parties to the arbitration, may issue such order, to take temporary or precautionary measures

either before commencement of the arbitration proceedings or during the course of its progress.

CHAPTER (III)

ARBITRATION BOARD

Article 15

1.

The arbitration board shall be constituted, on the basis of an agreement between the parties, with one or more arbitrators. In case, the parties fail to arrive at an understanding with regard to the number of arbitrators, the number shall be three.

2.

In case, the arbitrators are multiple in number, their number shall have to be uneven, otherwise the arbitration shall be treated as invalid.

Article 16

1.

The arbitrator shall not be a person who is a minor or placed under guardianship or debarred from exercising his civil rights for having been convicted in a criminal case or misdemeanor amounting to breach of honour, trust or declared as bankrupt unless he has been rehabilitated.

2.

The arbitrator shall not be required to be of a particular sex or nationality unless the parties to the arbitration have agreed to or the Law stipulates otherwise.

3.

Acceptance of the arbitrator to conduct the arbitration assignment shall have to be in writing. In this regard, he shall be required at the time of his acceptance, to reveal any of the circumstances, which may cause doubt/suspicion to his independence or impartiality. Similarly, in case the arbitrator comes across these circumstances after his appointment or during the course of the arbitration proceedings, he shall have to take the initiative in notifying the same to the parties to the arbitration and other arbitrators.

Article 17

1.

Both the parties to the arbitration shall arrive at an agreement on selection of the arbitrators, mode and time for their selection. In case of their failure to do so, the procedure laid down hereunder shall be adopted: -

1.

In case of the arbitration board comprising of one arbitrator, the President of the Commercial Court shall select him on the basis of an application made by one of the parties.

2.

In case of the arbitration board comprising of three arbitrators, each party shall nominate one arbitrator and subsequently the said two arbitrators shall nominate the third arbitrator.

However, if one of the parties fail to nominate his arbitrator within thirty days of a request made by the other party or if both the nominated arbitrators fail to arrive at an agreement concerning the nomination of the third arbitrator within 30 days of their nomination, the President of the Commercial Court shall nominate such third arbitrator on the basis of a request made by one of the parties.

The arbitrator selected by the two nominated arbitrators or by the President of the Commercial Court shall act as the chairman of the arbitration board. These rules shall be applicable to the arbitration board comprising of more than three arbitrators.

2.

In case, one of the parties contravenes the procedure to be adopted for the nomination of the arbitrators as agreed upon between them or if both of them fail to have an agreement or if both the nominated arbitrators fails to arrive at an agreement with regard to an issue which requires their agreement on it or if the third party fails to carry out the responsibility assigned in this regard, the President of the Commercial Court, on the basis of a request from one of the parties, shall initiate and carry out the required procedure or action unless the provisions laid down in the agreement stipulate some other mode for completion of this procedure or assignment.

3.

The President of the Court, whilst making a selection of the arbitrator, shall take into consideration the provisions laid down in this Law and the conditions agreed upon by both the parties and pass his decision with regard to the selection of the arbitrator at the earliest. Without prejudice to the provisions set out in Article 18 and 19 of this Law, such decision of the President of the Court shall not be subject to appeal in any manner.

Article 18

1.

It shall not be permissible to have the arbitrator recused unless there appear circumstances giving rise to serious doubt and suspicion concerning his impartiality or independent functioning.

2.

It shall not be permissible for any of the parties to the arbitration to apply for recusation of the arbitrator nominated by him or had participated in the nomination unless the reasons referred to above have been known to such party after such nomination.

Article 19

1.

The application for the recusation shall be made in writing to the arbitration board explaining therein the reasons for the recusation within 15 days from the date the applicant comes to know of the constitution of this Board of the circumstances, which justify the recusation. In case, recusation is not acceptable to the arbitrator concerned, the arbitration board shall decide regarding the application.

2.

Application made by the same party for the second time for recusation of the same arbitrator in respect of the same arbitration shall not be acceptable.

3.

The applicant for the recusation may appeal against the decision taken rejecting his application, within thirty days from the date of its notification, before the Court referred to in Article 9 of this Law, decision of which the court shall not be subject to appeal in any manner.

4.

The submission of an application for recusation or the appeal for the rejection of such an application by the arbitration board shall not stop the arbitration proceedings. In case, a decision is taken either by the arbitration board or by the Court directing the recusation then any arbitration proceedings or award passed by the arbitrators concerning the same shall be considered as null and void.

Article 20

In the event, an arbitrator is unable to carry out his responsibility, fails or causes break in his performance leading to unjustified delay in the arbitration proceedings and is unwilling to resign from his office and the parties have not agreed upon his removal, the President of the Commercial Court may issue orders terminating his assignment on the basis of a request made by any of the parties.

Article 21

On termination of the assignment of the arbitrator by way of dismissal or removal of any other reason, a substitute shall be appointed in accordance with the procedures adopted earlier in the nomination of the arbitrator whose assignment has been terminated.

Article 22

1.

The arbitration board shall decide in respect of the plea raised questioning the board's jurisdiction to entertain the issue or pleading, the non-existence or invalidity or the irrelevancy of the arbitration agreement to subject matter of the dispute.

2.

Such pleas shall be required to be made within the period prescribed for submission of the defence by the defendant referred to in paragraph 2 of the Article 30 of this Law. If one of the parties to the arbitration nominates an arbitrator or participates in his nomination, he shall not be deprived from his right to submit to any of these pleas. The plea that, the issues raised by one party during the course of the arbitration proceedings are not contained in the arbitration agreement, shall be raised immediately otherwise the other party shall have no right to raise the same. In all cases the arbitration board may accept to entertain a delayed plea provided that, the board considers such delay was due to reasonable reasons.

3.

The arbitration board shall decide upon the matters relating to pleas referred to in paragraph 1 of this Article before passing its award on the subject matter of the dispute. The board may join such pleas with the subject matter of the dispute and pass its decision on both the issues together. In case of dismissal of the said plea, it shall not be permissible to contest the dismissal except through filing of a suit for nullification of the final arbitration award passed in respect of the dispute in accordance with Article 53 of this Law.

Article 23

The arbitration clause shall be treated as an agreement independent from the other conditions provided for in the agreement. Invalidation of the agreement or its revocation or termination shall not have any effect on the arbitration clause provided for in it, provided the said clause is valid in itself.

Article 24

1.

Both parties to the arbitration may have an agreement to the effect that the arbitration board, on the basis of a request made by one of them, may issue orders to any of them to take suitable temporary or precautionary measures necessitated by the nature of the dispute and that, the board may order submission of an adequate security/guarantee for covering the expenses relating to the measures to be taken as per its directives.

2.

In case, the party who is issued with such an order fails to execute the same, the arbitration board, on the basis of a request made by the other party, may grant permission to such other party to take necessary steps for the execution of the order. This shall be without prejudice to the right held by this party to make a request to the President of the Commercial court for issue of an order and for its execution.

3.

CHAPTER (IV) ARBITRATION PROCEEDINGS

Article 25

Both parties to the arbitration may enter into an agreement with regard to the procedures to be adopted by the arbitration board, including their right to subject these procedures to the rules and regulations being adopted by an arbitration organization or centre in the Sultanate of Oman or abroad. In the absence of this type of agreement, the arbitration board, after taking into consideration the provisions of this Law, may adopt arbitration procedures, which it deems appropriate.

Article 26

Both the parties shall be treated with equality and given adequate and sufficient opportunity for submission of their claims.

Article 27

The arbitration proceedings shall commence on the day on which the defendant receives from the plaintiff the application for arbitration unless both the parties agree upon some other date.

Article 28

The above shall be without prejudice to the authority held by the arbitration board to convene its meeting in any place it considers suitable for carrying out any of the arbitration proceedings, like hearing of parties to the dispute, witnesses, experts, refusal of the documents, inspection of the goods, properties and conducting deliberation between its members etc.

Article 29

The arbitration board shall decide with regard to all or some of the written documents submitted along with the petition whether the same to be translated into the language or languages used in the arbitration. In case, these languages are greater in number, the translation may be confined to some of them.

Article 30

1.

The plaintiff, within the period agreed upon between the parties or prescribed by the arbitration board, shall provide the defendant and to each one of the arbitrators with a written statement of his claim, furnishing therein his name and address, name and address of the defendant, stating the facts of the case and highlighting the issues coming under the subject matter of the dispute, his claims and any other matter which is required to be stated in this statement, in accordance with the agreement between the two parties.

2.

The defendant, within the period agreed upon between the parties or prescribed by the arbitration board shall deliver to the plaintiff and each one of the arbitrators a written defence in reply of what has been stated in the statement of claim. The defendant shall have the right to include in his submission any incidental claim in respect of the subject matter of the

dispute or to reserve the right arising from it with the objective to make a defence for setting off.. He shall have the right to do so at a later stage of the proceedings provided the arbitration board considers that the circumstances for the delay are justified.

3.

Either party may enclose with the statement of claim or defence, as the case may be copies of the documents supporting his claim/defence and make a reference to all or some of the documents and evidence, which he intends to submit. This shall be without prejudice to the right held by the arbitration board, at any stage of the case, to demand submission of the original documents or evidence relied upon by any of the parties to the dispute.

Article 31

Copies of the submissions, documents and other records submitted by one of the parties to the arbitration board shall have to be forwarded to the other party. Similarly, each party has to be provided with copies of the experts' reports, documents and other evidence submitted to the said board.

Article 32

Either party to the arbitration shall have the right to effect changes in his prayers or defence points or have the same completed during the course of the arbitration proceedings unless the arbitration board decides not to accept changes/completion so as to avoid delay in passing of the decision in respect of the dispute.

Article 33

1.

The arbitration board may convene its pleading sessions, enabling each of the parties to explain the subject matter of the dispute and submit his argument and evidence. However, the board may rely upon the written submission/petitions and documents only unless both the parties agree upon otherwise.

2.

Both parties to the arbitration shall have to be notified of the dates of the hearings/meetings to be held/convened by the arbitration board well in advance as the board considers sufficient depending on the respective circumstances.

3.

The substance of the proceedings of each session convened by the arbitration board shall be recorded in the form of minutes and copy of the same shall be passed on to each of the parties unless both of them agree upon otherwise.

4.

The deposition of witnesses and experts shall take place without the requirement of taking an oath.

Article 34

1.

In case the plaintiff fails to submit, without acceptable reason, a written statement of his claim in accordance with paragraph 1 of Article 30 of this Law, the arbitration board shall be obliged to issue orders for bringing an end to the arbitration proceedings unless both the parties agree upon otherwise.

2.

If the defendant fails to submit his statement of defence, in accordance with paragraph 2 of Article 30 of this Law, the arbitration board shall be obliged to continue the arbitration proceedings unless both the parties agree upon otherwise without considering such failure, per se, as an admission by the defendant of the claim made by the plaintiff.

Article 35

If one of the parties fail to appear in one of the hearing or to submit the required documents, the arbitration may continue the arbitration proceedings and pass its decision on the dispute relying on the evidence made available to the board.

Article 36

1.

The arbitration board may appoint one expert or more for submission of a written or verbal report in respect of the issues specified by the board. Such report shall be recorded in the form of minutes. Copy of the board's decision specifying the scope of the functions assigned to the expert shall have to be sent to each of the parties.

2.

Either party shall be required to submit to the expert, information relating to the dispute and do the needful in order to enable the expert to inspect and check any of the documents, goods and other properties relating to the dispute as may be required by the expert. The arbitration board shall decide on any dispute arising between any one of the parties and the expert in this regard.

3.

The arbitration board shall send copy of the expert's report, immediately on its submission, to each of the parties providing him with the opportunity to submit his comments on the same. Each of the parties shall have the right to peruse and check the documents relied upon by the expert in his report.

4.

The arbitration board may, after submission of the expert's report, decide on its own accord or upon a request by one of the parties to the arbitration, to convene a session for hearing the statement of the expert, providing opportunity to both the parties to hear from and discuss with him the contents of his report. Each of the parties shall have the right to present one expert or more from his side to render his opinion in respect of the issues contained in the

report submitted by the expert appointed by the arbitration board unless both the parties agree upon otherwise.

Article 37

The President of the Commercial Court on the basis of a request from the arbitration board shall have the following authorities: -

1.
to impose a fine ranging from five to twenty Rials Omani against the witnesses who fail to appear or abstain from rendering their depositions. The said decision shall not be subject to appeal and shall be enforceable as other final judgement.
2.
to issue orders for judicial delegation

Article 38

The continuation of settling a dispute before the arbitration board shall get suspended under the circumstances and in accordance with the conditions set out in Law.

CHAPTER (V)

ARBITRATION AWARD AND WINDING UP OF THE PROCEEDINGS

Article 39

1.
The arbitration board shall apply the terms and conditions agreed upon between the two parties in respect of the subject matter of the dispute. In case, both the parties have agreed upon applying a law operative in a particular country, the substantive rules of such a law shall be adopted without applying the rules relating to conflict of laws unless it is agreed upon otherwise.
2.
In case, both the parties fail to arrive to an agreement concerning the legal rules to be applied in respect of the subject matter of the dispute, the arbitration board shall apply the substantive rules of the law, which it considers to be very much relevant to the dispute.
3.
The arbitration board, while settling the subject matter of the dispute, shall be required to take into consideration the conditions provided for in the agreement concluded between the parties and the commercial customary laws.
4.
The arbitration board, in the event the parties to the arbitration expressly agree to authorize it to reach at conciliation between the parties, may settle the subject matter of the dispute with equity and justice without being restricted to the provisions laid down by the Law.

Article 40

Arbitration board comprising of more than one arbitrator shall pass its award with majority vote after due deliberations in the manner specified by the arbitration board, unless the parties to the arbitration agree upon otherwise.

Article 41

In case, both the parties, during the course of the arbitration proceedings, decide to make a settlement bringing an end to the dispute, they would be required to submit the conditions governing such settlement before the arbitration board which in turn, in such a condition, shall pass a decision detailing the terms of the settlement, whereupon the proceedings shall be brought to an end. Such a decision shall have the same effect in respect of the enforcement of the awards of the arbitrators.

Article 42

The arbitration board may issue provisional decisions or pass decisions in respect of part of the claims made prior to passing of its final award in the dispute.

Article 43

1.

The arbitration award shall be passed in writing duly signed by the arbitrators. In case of the arbitration board comprising of more than one arbitrator, the award may be signed by the majority of arbitrators. However, the reasons behind not obtaining the signatures of the minority arbitrators shall be stated in the award.

2.

The arbitration award shall contain the reasoning and the grounds on which it is based, unless the parties to the arbitration have agreed otherwise or the law to be applied in respect of the arbitration proceedings does not require the grounds and reasoning of the award to be stated therein.

3.

The arbitration award shall contain the names and addresses of the litigants, the arbitrators' names, addresses, nationalities and capacities/designations, text of the arbitration clause, summary of the claims made by the litigants, their statements, documents, the gist of the award, date and place of its issue and, if so required, the reasoning of the same.

Article 44

1.

Within a period of thirty days from the date of passing its award, the arbitration board shall deliver to each of the parties a copy of the arbitration award duly signed by the arbitrators who have agreed to the same.

2.

It shall not be permissible to have the arbitration award or a part of the same published without the approval of the parties to the arbitration.

Article 45

1.

The arbitration board shall have to pass the final award in respect of the dispute within the time/period agreed upon by the parties. In the absence of any agreement, the award shall be required to be passed within 12 months effective from the date of commencement of the arbitration proceedings. In all circumstances, the arbitration board may decide to extend the period of the proceedings for a further period. However such extension shall not exceed six months, unless the parties agree to a period beyond six months.

2.

In the event, the arbitration award has not been passed within the period referred to in the preceding paragraph, either party to the arbitration may request the President of the Commercial Court to pass orders prescribing an additional period or have the arbitration proceedings brought to an end. In such a case, either party may file his claims before the Competent Court.

Article 46

In case, during the course of the arbitration proceedings, an issue which is not under the jurisdiction of the arbitration board or complaint is made with regard to forgery of a document submitted to the board or criminal action is initiated for forgery of such a document or for any other criminal offence, the arbitration board may continue to entertain the subject matter of the dispute provided it comes to the conclusion that passing a judgement in respect of this issue or forgery of the document or any other criminal offence is immaterial for passing of an award by the board in respect of the subject matter of the dispute. Otherwise, the proceedings shall be suspended until a final decision is passed in respect of the criminal offence. Consequently, the validity of the period prescribed for the passing of arbitration award shall stand suspended.

Article 47

The party in whose favour the arbitration award is passed shall deposit with the Court Secretariat referred to in Article 9 of this Law the original award or its copy duly signed by him in the language it is issued or its translation in Arabic duly authenticated by certified firm in case the same has been issued in a foreign language.

The Court Secretary shall prepare minutes in respect of the deposit made. Each of the party to the arbitration may apply for a copy of such minutes.

Article 48

1.

The arbitration proceedings shall terminate upon issue of the final award in respect of the dispute or issue of an order terminating the arbitration proceedings in accordance with paragraph 2 of Article 45 of this Law. The proceedings shall also terminate upon issue of a decision by the arbitration board under the following circumstances: -

1.

In case both the parties agree to bring the arbitration to an end.

2.

In case, the plaintiff abandons the arbitration dispute, unless the arbitration board decides otherwise on the basis of a submission made by the defendant to the effect he has valid reasons for the continuation of the proceedings until finalization of the proceedings.

3.

In case, the arbitration board on other grounds, comes to the conclusion that, it is of no use or impossible to continue the arbitration proceedings.

2.

Subject to the provisions of Articles 49, 50 and 51 of this Law, the assignment of the arbitration board shall come to an end upon completion of the arbitration proceedings.

Article 49

1.

Within thirty days from the day following receipt of the arbitration award, each of the parties to the arbitration may request the arbitration board to interpret the gist of its award, which is found to be ambiguous. The applicant for such interpretation shall be required to notify the other party of such a request prior to its submission to the arbitration board.

2.

The interpretation shall be given in writing, within thirty days from the day following submission of the request to the arbitration board. The board may extend this period by further thirty days if the board deems necessary.

3.

The decision passed concerning the interpretation shall be considered complementary/integral part and of the same force of the arbitration award.

Article 50

1.

The arbitration board shall carry out correction in respect of material typographical or mathematical errors in its award, by passing a decision on its own accord or on the basis of a request made by one of the litigants. The arbitration board shall carry out the correction without pleading/deliberation within thirty days following the date of issue of the award or

submission of a request for correction as the case may be. The arbitration board may extend the period for a further thirty days if it considers the same to be necessary.

2.

The decision regarding the correction shall be made in writing. The same shall be notified to both the parties within thirty days from the date of its issue. In case, the arbitration board acts beyond its jurisdiction in carrying out the correction, the respective party may claim invalidation of the award by filing a suit for its nullity, in which case, the provisions laid down in Article 53 and 54 of this Law shall be applied.

Article 51

1.

Each of the parties to the arbitration may, after completion of the arbitration period, make an application to the arbitration board within 30 days following his receipt of the arbitration decision, to pass an additional award in respect of claims raised during the course of the proceedings and which are ignored by the arbitration award. The other party shall be notified of an application prior to its submission to the board.

2.

The arbitration board shall pass its award within sixty days of the date of submission of the application. The board may extend this period for further thirty days provided it considers the same to be necessary.

CHAPTER (VI)

NULLIFICATION OF THE ARBITRATION DECISION

Article 52

1.

The arbitration awards, passed in accordance with the provisions of this Law shall not be subject to appeal in any manner prescribed by Law.

2.

However, it may be permissible to file a suit seeking nullification of an award in accordance with the provisions contained in the following two Articles.

Article 53

1.

Suit for nullification of an arbitration award shall not be sustained/upheld except under the following circumstances: -

1.

in case there is no agreement in respect of arbitration or if such an agreement is void, voidable or time barred;

2.
in case, one of the parties to the arbitration agreement, at the time of execution of the arbitration agreement was incompetent or insane in accordance with the Law which governs his capacity;
3.
in case, one of the parties to the arbitration fails to submit his defence due to him not being properly notified of the notice concerning the appointment of an arbitrator or arbitration proceedings or any other reason beyond his control.
4.
in case, the arbitration award has ignored the application of the Law agreed upon by the parties for application in respect of the subject matter of the dispute;
5.
in case, the arbitration board is constituted or arbitrators are appointed contrary to the Law or the agreement between the parties;
6.
in case, the arbitration award has settled issues which do not come under the purview of the arbitration agreement or has crossed the limits set out in the agreement. Nevertheless, if it is possible to make a distinction between portions of the award relating to the issues which are subject to arbitration and the portions relating to the issues which are not subject to arbitration, the nullification shall not have its effect except on the later portions only;
7.
in case the arbitration award is null or the arbitration proceedings are void to the extent affecting the terms of the award.

2.
The court entertaining the suit for nullification may, by itself, nullify the arbitration award if such an award is contrary to the public order of the Sultanate of Oman.

Article 54

1.
The suit seeking nullification of the arbitration award shall be filed within ninety days following the date of notification of the arbitration award to the party against whom the award is passed. Waiver of the right to submit the nullification suit prior to the passing of the award shall not prevent the aggrieved party from submitting his suit thereafter.
2.
The Appellate circuit of the Commercial Court referred to in Article 9 above shall have the jurisdiction to entertain the nullification of the suit.

CHAPTER (VII)
EFFECTIVENESS OF THE DECISION PASSED BY THE ARBITRATORS

Article 55

Awards passed by the arbitrators in accordance with this Law shall be treated as a res judicata and shall be enforceable pursuant to the provisions laid down in this Law.

Article 56

The President of the Commercial Court or any of the judges appointed by him shall have the authority to issue orders for enforcement of the awards passed by the arbitrators. The application for the enforcement awards of the decisions shall be submitted with the following: -

1.
Original award or copy duly signed by the applicant.
2.
Copy of the arbitration agreement/clause.
3.
Arabic translation duly endorsed by a certified firm, if the arbitration award was passed in a foreign language.
4.
Copy of the minutes confirming filing of the award in accordance with the provisions of Article 47 of this Law.

Article 57

The filing of a suit for nullification of an award shall not suspend/cease the enforcement of the arbitration award. However, the Court may issue orders for suspension of the enforcement proceedings upon a request by the applicant in the suit petition provided the request is based on valid grounds. The Court shall decide in respect of the application for suspension of the enforcement within sixty days from the date of the first hearing session for consideration of the same. While issuing orders for suspension of the enforcement, the Court may issue orders for submission of a guarantee or financial security. If the Court issues orders for suspension of the enforcement, the Court shall have to decide upon the suit for nullification within six months from the date such orders are issued.

Article 58

1.
The application for enforcement of an arbitration award shall not be accepted unless the period prescribed for filing of a suit for nullification of such an award is lapsed.

2.

It may not be permissible to issue orders for enforcement of an award is in accordance with the provisions of this Law without confirmation of the following: -

1.

the award is not in conflict with a decision passed earlier by Omani courts in respect of the subject matter of the dispute.

2.

the award does not contain any terms which are contravening the public order of the Sultanate of Oman.

3.

The judgement debtor has been notified of the award in a proper manner.

3.

It may not be permissible to make an appeal/petition against the order passed for the enforcement of an arbitration award. However, it may be permissible to appeal against the order issued rejecting the application for enforcement before the Commercial Court referred to in Article 9 of this Law, within 30 days from the date of its issue.

Sultanati Decree No. 3/2007 Amending Some Provisions of the Law of Arbitration in Civil and Commercial Disputes Promulgated by Sultanati Decree No. 47/1997

We, Kabous Ben Saïd, Sultan of Oman,

In view of the Fundamental Law of the State issued by Royal Decree N° 101/96;

And the Royal Decree N° 47/97 issuing the Arbitration Law in civil and commercial disputes;

And the Law of Judiciary issued by Royal Decree No 90/99;

And the Code of Civil and Commercial Procedure issued by Royal Decree No 29/2002;

And due to the requirement of general interest,

Decree the following,

Article (1): The following amendments shall be made to the Arbitration Law aforementioned.

Article (2): All provisions contrary to this Decree are repealed.

Article (4): This Decree shall be published in the Official Gazette and shall come into force as of the day following the date of its publication.

Kabous Ben Saïd

Sultan of Oman

Issued on 2 Muharram 1428H.

Corresponding to January 21, 2007.

(Official Gazette N° 832)

First

Paragraph 2 of Articles (4) and (54) shall be replaced by the following provisions:

Article (4) paragraph 2: “Arbitral Tribunal” shall mean the panel formed of one or more arbitrator in order to settle the dispute referred to arbitration. The “Court” is the competent court of first instance or the competent court of appeals, as the case may be.

Article (54) paragraph 2: The competent court of appeals referred to in Article 9 of this Law shall have jurisdiction over recourse to annulment.

Second

Article 9 of the Arbitration Law in civil and commercial disputes shall be replaced by the following provisions:

“The court originally having jurisdiction according to the Law of the Judiciary shall be competent to settle all arbitration matters referred by this Law to the Omani judiciary. In international commercial arbitration, whether held in Oman or abroad, the Muscat Court of Appeals shall have jurisdiction in this respect.”

Third

The expression “President of the Commercial Court” shall be replaced by “President of the competent court of appeals” in all the provisions of the Arbitration Law in civil and commercial disputes, except in Articles (37) and (56) where the expression “President of the Commercial Court” is replaced by “President of the competent court of first instance.”