

**Kingdom of Saudi Arabia**  
**Law of Arbitration**

## **Royal Decree No. M/34**

Dated 24/5/1433H – 16/4/2012 of approving **the Law of Arbitration**

**With the Help of Almighty God,**

**We, Abdullah ibn Abdulaziz Al Saud,**

**King of the Kingdom of Saudi Arabia**

- Pursuant to Article 70 of the Basic Law of Governance, issued by Royal Order No. (A/90), dated 27/8/1412H;
- And pursuant to Article 20 of the Law of the Council of Ministers, issued by Royal Order No. (A/13), dated 3/3/1414H
- And pursuant to Article 18 of the Shura Council Law, issued by Royal Order No. (A/91), dated 27/8/1412H
- And upon perusal of the Shura Council Resolution No. (99/77), dated 21/2/1433H
- And upon perusal of the Council of Ministers Resolution No. (156), dated 17/5/1433H;

Have decreed as follows:

First: The Law of Arbitration as per the attached form shall be approved.

Second: His Highness, the Deputy Prime Minister, the Ministers, and heads of independent relevant agencies, each within their jurisdiction, shall implement this Decree.

Abdullah ibn Abdulaziz

# **Law of Arbitration**

## **Chapter One**

### **General Provision**

#### **Article 1**

The following phrases, wherever mentioned in this Law, shall have the meanings assigned thereto, unless otherwise required by context:

1. **Arbitration Agreement:** it is an agreement between two or more parties to refer to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or non-contractual. An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate arbitration agreement.
2. **Arbitration Tribunal:** a sole arbitrator or a panel of arbitrators in charge of deciding a dispute referred to arbitration.
3. **Competent Court:** a court having legal jurisdiction to decide disputes agreed to be referred to arbitration.

#### **Article 2**

Without prejudice to provisions of Islamic Sharia and international conventions to which the Kingdom is a party, the provisions of this Law shall apply to any arbitration regardless of the nature of the legal relationship subject of the dispute, if this arbitration takes place in the Kingdom or is an international commercial arbitration taking place abroad and the parties thereof agree that the arbitration be subject to the provisions of this Law.

The provisions of this Law shall not apply to personal status disputes or matters not subject to reconciliation.

#### **Article 3**

Under this Law, arbitration shall be international if the dispute is related to international commerce, in the following cases:

1. If the parties to an arbitration agreement have their head office in more than one country at the time of conclusion of the arbitration agreement. If a party

has multiple places of business, consideration shall be given to the place of business most connected to the subject matter of the dispute. If either or both parties have no specific place of business, consideration shall be given to their place of residence.

2. If the two parties to arbitration have their head office in the same country at the time of conclusion of the arbitration agreement, and one of the following places is located outside said country:
  - a. The venue of arbitration as determined by or pursuant to the arbitration agreement;
  - b. Any place where a substantial part of the obligations of the commercial relationship between the two parties is executed;
  - c. The place most connected to the subject matter of the dispute;
3. If both parties agree to resort to an organization, standing arbitration tribunal or arbitration center situated outside the Kingdom;
4. If the subject matter of the dispute covered by the arbitration agreement is connected to more than one country.

#### **Article 4**

In cases where this Law allows the parties to arbitration to choose the procedure to be followed in a certain issue, this shall include the right of the two parties to authorize a third party to choose that procedure. A third party in this respect includes any individual, tribunal, organization, or arbitration center within the Kingdom or abroad.

#### **Article 5**

If both parties to arbitration agree to subject the relationship between them to the provisions of any document (model contract, international convention, etc.), then the provisions of such document, including those related to arbitration, shall apply, provided this is not in conflict with the provisions of Sharia.

#### **Article 6**

1. Unless otherwise agreed upon by the parties to arbitration regarding notifications, the written notice shall be delivered to the addressee personally or to his designee, or to the mailing address specified in the contract subject of the dispute or in the arbitration agreement or the document governing the relationship addressed by the arbitration.
2. If the written notice cannot be delivered to the addressee according to Paragraph 1 above, it shall be deemed to have been received if it is sent by

registered mail to the addressee's last-known place of business, habitual residence or to a known mailing address.

3. The provisions of this Article shall not apply to judicial notifications relating to court proceedings with regard to nullification of the arbitration award.

#### **Article 7**

It shall be deemed a waiver of his right to object, if a party to arbitration proceeds with arbitration procedures knowing that a violation of a provision that may be agreed to be violated or of a term in the arbitration agreement was committed and he fails to object to such violation within the agreed upon period or within thirty days from his knowing of the violation in the absence of an agreement.

#### **Article 8**

1. The court of appeal originally deciding the dispute shall have jurisdiction to consider an action to nullify the arbitration award and matters referred to the competent court pursuant to this Law.
2. In case of an international commercial arbitration within the Kingdom or abroad, the court of appeal originally deciding the dispute in the city of Riyadh shall have jurisdiction, unless the two parties to arbitration agree on another court of appeal within the Kingdom.

## **Chapter 2**

### **Arbitration Agreement**

#### **Article 9**

1. The arbitration agreement may be concluded prior to the occurrence of the dispute whether in the form of a separate agreement or stipulated in a specific contract. The arbitration agreement may also be concluded after the occurrence of a dispute, even if such dispute was the subject of an action before the competent court. In such a case, the agreement shall determine matters included in the arbitration; otherwise, the agreement shall be void.
2. The arbitration agreement shall be in writing; otherwise, it shall be void.
3. An arbitration agreement shall be deemed written if it is included in a document issued by the two parties or in an exchange of documented correspondence, telegrams or any other electronic or written means of communication. A reference in a contract or a mention therein of any document containing an arbitration clause shall constitute an arbitration agreement. Similarly, any reference in the contract to the provisions of a model contract, international convention or any other document containing an arbitration clause shall constitute a written arbitration agreement, if the reference clearly deems the clause as part of the contract.

#### **Article 10**

1. An arbitration agreement may only be concluded by persons having legal capacity to dispose of their rights (or designees) or by corporate persons.
2. Government bodies may not agree to enter into arbitration agreements except upon approval by the Prime Minister, unless allowed by a special provision of law.

#### **Article 11**

1. A court before which a dispute, which is the subject of an arbitration agreement, is filed shall dismiss the case if the defendant raises such defense before any other claim or defense.
2. Filing the action referred to in Paragraph 1 of this Article, does not preclude the commencement or continuation of the arbitration proceedings or the rendering of the arbitration award.

## **Article 12**

Subject to the provisions of Article 9 (Paragraph 1) of this Law, if an agreement to resort to arbitration is reached while the dispute is being considered before the competent court, said court shall refer the dispute to arbitration.

## **Chapter 3**

### **Arbitration Tribunal**

## **Article 13**

The arbitration tribunal shall be composed of one arbitrator or more, provided the number of arbitrators is an odd number; otherwise, the arbitration shall be void.

## **Article 14**

An arbitrator shall satisfy the following conditions:

1. Be of full legal capacity;
2. Be of good conduct and reputation; and
3. Be a holder of at least a university degree in Sharia or law. If the arbitration tribunal is composed of more than one arbitrator, it is sufficient that the chairman meet such requirement.

## **Article 15**

- 1- The two parties to the arbitration shall agree on appointment of arbitrators. If they fail to reach an agreement, the following shall apply:
  - a. If the arbitration tribunal is composed of one arbitrator, the competent court shall appoint that arbitrator.
  - b. If the arbitration tribunal is composed of three arbitrators, each party shall appoint one arbitrator, and the two appointed arbitrators shall appoint the umpire. If a party fails to appoint his arbitrator within fifteen (15) days from receipt of a petition to this effect from the other party, or if the two appointed arbitrators fail to agree on appointment of the umpire within fifteen (15) days from date of appointment of the last arbitrator, the competent court, pursuant to a petition filed by the party seeking to

expedite the arbitration, shall appoint the umpire within fifteen (15) days from date of submission of the petition. The umpire, whether selected by the two appointed arbitrators or appointed by the competent court, shall preside over the arbitration tribunal. These provisions shall apply to cases where the arbitration tribunal is composed of more than three arbitrators.

- 2- If the two parties to the arbitration fail to agree on the procedures for appointment of arbitrators, or if one party thereof fails to adhere to such procedures, or if the two appointed arbitrators fail to agree on a matter that requires their agreement, or if a third party fails to perform a function entrusted thereto under such procedure, the competent court shall, pursuant to a petition filed by the party seeking to expedite the arbitration, take the necessary measure or action unless the agreement provides for other means for completing such measure or action.
- 3- In appointing an arbitrator, the competent court shall observe the conditions stipulated in the arbitration agreement as well as the conditions required under this Law, and shall issue its decision appointing the arbitrator within thirty (30) days from the petition submission date.
- 4- Without prejudice to the provisions of Articles 49 and 50 of this Law, the decision of the competent court appointing the arbitrator shall not be independently subject to any form of appeal.

## **Article 16**

1. An arbitrator shall have no vested interest in the dispute. He shall also, from the time of his appointment and throughout the arbitration proceedings, disclose to the arbitration parties in writing any circumstances likely to give rise to justifiable doubts as to his impartiality or independence, unless he has already informed them thereof.
2. An arbitrator shall be barred from considering or hearing a case for the same reasons for which a judge is barred, even if neither party so requests.
3. An arbitrator may not be disqualified except in the presence of circumstances giving rise to justifiable doubts as to his impartiality or independence, or if he lacks the qualifications agreed to by the arbitration parties, without prejudice to the provisions of Article 14 of this Law.
4. Neither arbitration party may disqualify an arbitrator appointed by him, or in whose appointment he participated, except for reasons that become known after the appointment of such arbitrator.



## **Article 17**

1. If the two parties to arbitration fail to agree on a procedure for disqualifying an arbitrator, the party who seeks to disqualify an arbitrator shall, within five days from date of knowing of the formation of the arbitration tribunal or of any circumstances justifying such disqualification, send a written statement giving grounds for the disqualification of the arbitration tribunal. If the arbitrator sought to be disqualified fails to recuse himself or the other party rejects the petition for disqualification within five days from date of submission thereof, the arbitration tribunal shall decide on the disqualification within fifteen days from date of receipt of such petition. If the disqualification is not successful, the party seeking disqualification may petition the competent court, within thirty days, to decide on the disqualification; said court decision shall not be subject to appeal.
2. A disqualification petition may not be accepted from a party who has previously submitted a petition to disqualify the same arbitrator in the same arbitration on the same grounds.
3. Submission of a disqualification petition before an arbitration tribunal shall result in suspension of the arbitration proceedings. An appeal against the arbitration tribunal's decision rejecting the disqualification petition shall not result in suspension of the arbitration proceedings.
4. If the petition to disqualify an arbitrator is accepted, whether by the arbitration tribunal or by the competent court when considering an appeal, all previous arbitration procedures, including the arbitration award, shall be deemed null and void.

## **Article 18**

1. If an arbitrator fails to perform his functions or ceases to do so in a manner that leads to unjustifiable delay in arbitration proceedings, and yet does not recuse himself and the two arbitration parties do not agree on dismissing him, the competent court may dismiss him pursuant to a petition by either party; said court decision shall not be subject to appeal.
2. Unless appointed by the competent court, an arbitrator may not be dismissed except by the consent of the two parties to arbitration, without prejudice to the provisions of Paragraph 1 of this Article. The dismissed arbitrator may claim compensation unless such dismissal is attributed to him.

## **Article 19**

If the mandate of an arbitrator expires due to death, disqualification, dismissal, recusal, disability or any other reason, a replacement shall be appointed according to the procedures followed in the appointment of the arbitrator whose mandate has expired.

## **Article 20**

1. The arbitration tribunal shall decide on any pleas related to its jurisdiction, including those based on absence of an arbitration agreement, expiry or nullity of such agreement or non-inclusion of the dispute subject-matter in the agreement.
2. Pleas of lack of jurisdiction shall be raised on dates referred to in Article 30 (Paragraph 2) of this Law. The appointment or participation in the appointment of an arbitrator by either party shall not preclude his right to file any of such pleas. The plea that the arbitration agreement does not include matters raised by the other party while the dispute is being reviewed must be raised immediately; otherwise, the right to raise such plea shall terminate. In all cases, the arbitration tribunal may accept a late plea if it deems the delay justified.
3. The arbitration tribunal shall decide on pleas referred to in Paragraph 1 of this Article prior to deciding on the subject of the dispute. However, it may join said pleas to the subject and decide on them both. If the arbitration tribunal decides to dismiss the plea, such plea may not be raised except through the filing of a case to nullify the arbitration award ending the entire dispute, pursuant to Article 54 of this Law.

## **Article 21**

An arbitration clause which forms part of a contract shall be treated as an agreement independent of the other terms of the contract. The nullification, revocation or termination of the contract which includes said arbitration clause shall not entail nullification of the arbitration clause therein, if such clause is valid.

## **Article 22**

1. The competent court may, upon the request of either party, order provisional or precautionary measures prior to commencing arbitration proceedings, or upon request by the arbitration tribunal during arbitration proceedings. Said

measures may be revoked in the same way, unless otherwise agreed by the two parties to arbitration.

2. The competent court may, upon request by the arbitration tribunal, issue an order of judicial delegation.
3. The arbitration tribunal may, as it deems fit, seek the assistance of the competent agency in the arbitration proceedings, such as calling a witness or an expert, ordering the submission of a document or a copy thereof, reviewing said document, or any other proceeding, without prejudice to the right of the arbitration tribunal to conduct said proceeding independently.

### **Article 23**

1. The two parties to arbitration may agree that the arbitration tribunal shall, upon the request of either party, order either party to take, as it deems fit, any provisional or precautionary measures required by the nature of the dispute. The arbitration tribunal may require the party requesting such measures to provide sufficient financial guarantee for the execution of such proceeding.
2. If the party against whom the order has been issued fails to execute such an order, the arbitration tribunal may, upon the request of the other party, authorize said party to take necessary measures for its execution, without prejudice to the right of the arbitration tribunal or the other party to request the competent agency to enforce such order.

### **Article 24**

1. Upon appointment of an arbitrator, a separate contract shall be concluded with him specifying his fees. A copy of the contract shall be deposited with the agency specified in the Implementing Regulations of this Law.
2. In the absence of such agreement between the two parties to arbitration and arbitrators regarding arbitrators' fees, the competent court shall decide the matter pursuant to a non-appealable decision. If the arbitrators are appointed by the competent court, said court shall determine their fees.

## **Chapter 4**

### **Arbitration Proceedings**

#### **Article 25**

1. The two parties to arbitration may agree on procedures to be followed by the arbitration tribunal in conducting the proceedings, including their right to subject such proceedings to effective rules of any organization, agency or arbitration center within the Kingdom or abroad, provided said rules are not in conflict with the provisions of Sharia.
2. In the absence of such an agreement, the arbitration tribunal may, subject to the provisions of Sharia and this Law, decide the arbitration proceedings it deems fit.

#### **Article 26**

The arbitration proceedings shall commence on the day a request for arbitration made by one arbitration party is received by the other party, unless otherwise agreed by both parties.

#### **Article 27**

The two parties to arbitration shall be treated equally, allowing each party a full and equal opportunity to present his case or defense.

#### **Article 28**

The two parties to arbitration may agree on the venue of arbitration within the Kingdom or abroad. In the absence of such an agreement, the venue of arbitration shall be determined by the arbitration tribunal, having regard to the circumstances of the case, including the convenience of the venue to both parties. This shall not prejudice the power of the arbitration tribunal to convene at any venue it deems appropriate for deliberation; hearing of witnesses, experts or the parties to the dispute; inspection of the subject matter of the dispute; and examination of documents or review thereof.

#### **Article 29**

1. Arbitration shall be conducted in Arabic, unless the arbitration tribunal or the two parties to arbitration, agree on another language or languages. Such agreement or decision shall apply to the language of the written statements and notes, oral arguments and any decision, message or award made by the arbitration tribunal, unless otherwise agreed by both parties or decided by the arbitration tribunal.

2. The arbitration tribunal may require that all or some of the written documents submitted in the case be accompanied by a translation into the language or languages used in the arbitration. In case of multiple languages, the arbitration tribunal may limit the translation to some of them.

### **Article 30**

1. Within the period of time agreed upon by the parties or determined by the arbitration tribunal, the plaintiff shall send to the defendant and to each arbitrator a written statement of his claim, containing his name and address, name and address of the defendant, full statement of the facts of the claim, his demands, evidence; and any other matter required by the agreement of the two parties to be mentioned in this statement.
2. Within the period of time agreed upon by the parties or determined by the arbitration tribunal, the defendant shall send to the plaintiff and to each arbitrator a written statement of his defense in response to the statement of claim. The defendant may include in his response any demands connected to the subject-matter of the dispute, or may assert any right arising therefrom for the purpose of set-off defense. This right may be asserted to the defendant even at a subsequent phase of the proceedings, if the arbitration tribunal deems such delay justified.
3. Each party may submit with the statement of claim or response thereto, as the case may be, copies of supporting documents and cite all or some of the documents as well as the evidence he intends to submit. This shall not prejudice the arbitration tribunal's right at any phase of the case to request submission of the original documents on which either party relies, or copies thereof.

### **Article 31**

A copy of any briefs, documents or papers submitted by either party to the arbitration tribunal shall be sent to the other party. Likewise, a copy of any expert reports, documents and any other evidence submitted to the tribunal to rely on in issuing its award shall be sent to both parties.

### **Article 32**

Either arbitration party may amend or complete his demands or defense during the arbitration proceedings, unless the arbitration tribunal decides not to accept the same to avoid delaying adjudication of the dispute.

### **Article 33**

1. The arbitration tribunal shall hold hearings to enable each of the two parties to present his case and submit his arguments and evidence. It may, unless the two parties to arbitration agree otherwise, deem the submission of the written briefs and documents sufficient for adjudicating the dispute.
2. The two parties to arbitration shall be given sufficient advance notice at their addresses with the arbitration tribunal of any hearing, date of award pronouncement and any meeting of the arbitration tribunal for the purpose of inspection of the subject-matter of the dispute or any other property or the examination of documents.
3. The arbitration tribunal shall record the summary of each hearing in minutes signed by witnesses, experts, attending parties or their agents, and members of the arbitration tribunal. A copy thereof shall be delivered to each party, unless the two parties to arbitration agree otherwise.

### **Article 34**

1. If the plaintiff, without acceptable justification, fails to submit a written statement of his claim in accordance with Article 30 (Paragraph 1) of this Law, the arbitration tribunal shall terminate the arbitration proceedings, unless otherwise agreed by the two arbitrating parties.
2. If the defendant fails to submit a written statement of his defense in accordance with Article 30 (Paragraph 2) of this Law, the arbitration tribunal shall continue the arbitration proceedings, unless otherwise agreed by the two arbitrating parties.

### **Article 35**

If either party fails to appear at a hearing after notification or to submit required documents, the arbitration tribunal may continue the arbitration proceedings and issue an award in the dispute, based on available evidence.

### **Article 36**

1. The arbitration tribunal may appoint one or more experts to submit a written or oral report on certain issues determined by the tribunal, and this shall be recorded in the minutes of the hearing. The arbitration tribunal shall notify both parties thereof, unless they agree otherwise;
2. Each party shall provide the expert with information relating to the dispute and enable him to examine and inspect any documents, goods or other property relating to the dispute which he requires. The arbitration tribunal

shall decide any dispute that may arise between the expert and either party in this respect pursuant to a non-appealable decision.

3. Upon receiving the expert's report, the arbitration tribunal shall provide each of the two parties with a copy of such report and allow each party to give opinion thereon. Both parties shall have the right to review and examine documents upon which the expert relied. The expert shall submit his final report after reviewing the two parties' comments thereon.
4. Upon submission of the expert's report, the arbitration tribunal may, at its own discretion or upon request of either party, decide to hold a hearing with the expert and allow both parties to discuss the report with him.

### **Article 37**

If, in the course of the arbitration proceedings, a matter outside the jurisdiction of the arbitration tribunal arises, or if a document submitted to it is challenged for forgery or criminal proceedings were initiated for its forgery or for any other criminal act, the arbitration tribunal may continue reviewing the subject of the dispute if it deems deciding such matter, on the forgery of the document or on the other criminal act is not necessary for deciding on the subject matter of the dispute. Otherwise, the tribunal shall stay the proceedings pending a final judgment in this regard, and such decision entails the suspension of the deadline determined for rendering the arbitration award.

## **Chapter 5**

### **Proceedings for Deciding Arbitration Cases**

#### **Article 38**

1. Subject to provisions of Sharia and public policy in the Kingdom, the arbitration tribunal shall, when deciding a dispute, consider the following:
  - a. Apply to the subject matter of the dispute rules agreed upon by the arbitration parties. If they agree on applying the law of a given country, then the substantive rules of that country shall apply, excluding rules relating to conflict of laws, unless agreed otherwise.
  - b. If the arbitration parties fail to agree on the statutory rules applicable to the subject matter of the dispute, the arbitration tribunal shall apply the substantive rules of the law it deems most connected to the subject matter of the dispute.
  - c. When deciding the dispute, the arbitration tribunal shall take into account the terms of the contract subject of the dispute, prevailing customs and practices applicable to the transaction as well as previous dealings between the two parties.
2. If the two parties to arbitration expressly agree to authorize the arbitration tribunal to settle the dispute amicably, it may rule on the dispute in accordance with the rules of equity and justice.

#### **Article 39**

1. If the arbitration tribunal is composed of more than one arbitrator, its decision shall be made by majority vote of its members. Deliberation shall be in camera.
2. If members of the arbitration tribunal fail to reach an agreement and a majority decision is not attainable, the arbitration tribunal may appoint a casting arbitrator within fifteen days. Otherwise, the competent court shall appoint a casting arbitrator.
3. Decisions regarding procedural matters may be issued by the presiding arbitrator, if so authorized by both parties in writing or by all members of the arbitration tribunal, unless otherwise agreed by both parties.
4. If the arbitration tribunal is authorized to settle the dispute amicably, its award shall be made unanimously.



5. The arbitration tribunal may issue provisional or partial awards, prior to making the final award ending the entire dispute, unless the parties agree otherwise.

#### **Article 40**

1. The arbitration tribunal shall render the final award ending the entire dispute within the period agreed upon by both parties. In the absence of agreement, the award shall be issued within twelve months from the date of commencement of arbitration proceedings.
2. In all cases, the arbitration tribunal may extend the arbitration period provided that such extension does not exceed six months, unless the parties agree on a longer period.
3. If the arbitration award is not issued within the period provided for in the preceding paragraph, either party may request the competent court to issue an order specifying an additional period or terminating the arbitration proceedings. In such event, either party may file a case with the competent court.
4. If an arbitrator is appointed in place of another in accordance with the provisions of this Law, the period set for the award shall be extended by thirty days.

#### **Article 41**

1. The arbitration proceedings shall terminate by the issuance of the award ending the dispute or by the issuance of a decision by the arbitration tribunal to end the proceedings in the following cases:
  - a. If both parties agree to terminate the arbitration proceedings;
  - b. If the plaintiff abandons the arbitration case, unless the arbitration tribunal decides, upon the defendant's request, that the latter has a genuine interest in the continuation of the arbitration proceedings until the dispute is decided;
  - c. If the arbitration tribunal deems, for any other reason, the continuation of the arbitration proceedings pointless or impossible;
  - d. The issuance of an order ending the arbitration proceedings pursuant to Article 34 (Paragraph 1) of this Law.
2. The arbitration proceedings shall not terminate upon the death of either arbitration

party or loss of his legal capacity, unless a person with capacity in the dispute agrees with the other party to terminate the arbitration. In such case, the deadline for the arbitration shall be extended for thirty days, unless the arbitration tribunal decides to extend it for a similar period or the parties to arbitration agree otherwise.

3. Subject to the provisions of Articles 49, 50 and 51 of this Law, the mandate of the arbitration tribunal shall end upon completion of the arbitration proceedings.

#### **Article 42**

1. The arbitration award shall be made in writing and shall be reasoned and signed by the arbitrators. In case of multiple arbitrators, the signatures of the majority of arbitrators shall be sufficient, provided that grounds for the non-signing of the minority be recorded in the minutes.
2. The arbitration award shall include date of pronouncement and place of issuance; names and addresses of parties to the dispute; names of the arbitrators as well as their addresses, nationalities and capacities; a summary of the arbitration agreement and of the parties' statements, pleadings and documents; a summary of the expert report (if any); and text of the award. The award shall also determine arbitrators' fees, costs of arbitration and their distribution between the parties, without prejudice to the provisions of Article 24 of this Law.

#### **Article 43**

1. The arbitration tribunal shall deliver to each arbitration party a true copy of the arbitration award within fifteen days from its date of issuance.
2. The arbitration award may not be published in whole or in part except with the written consent of the parties to arbitration.

#### **Article 44**

The arbitration tribunal shall deposit the original award or a signed copy thereof in its original language with the competent court within the period set in Article 43 (Paragraph 1) of this Law, accompanied by an Arabic translation of the award attested by an accredited body if the award is issued in a foreign language.

#### **Article 45**

If, during the arbitration proceedings, the parties agree on a settlement ending the dispute, they may request that the terms of settlement be recorded before the

arbitration tribunal, which shall, in this case, issue an award which includes settlement terms and ends proceedings. Such award shall have the same force and effect as the arbitration awards.

#### **Article 46**

1. Either arbitration party may, within thirty days following the date of receipt of the arbitration award, petition the arbitration tribunal to interpret any ambiguity in the text of the award. The party requesting interpretation shall, prior to submitting the petition to the tribunal, send a copy of such petition to the other party at the address specified in the arbitration award.
2. The interpretation shall be issued in writing within thirty days following the date on which the petition for interpretation was submitted to the arbitration tribunal.
3. The decision of interpretation shall be deemed complementary to the relevant arbitration award and subject to rules applicable thereto.

#### **Article 47**

1. The arbitration tribunal shall, pursuant to its own decision or upon request by either party, rectify any material errors in its award, whether in text or in calculation. The rectification shall be carried out without pleadings within fifteen days following the date of rendering the award or of submitting the petition for rectification, as the case may be.
2. The rectification shall be issued by the arbitration tribunal in writing and shall be notified to both parties within fifteen days from the date of issuance. If the arbitration tribunal exceeds its power in rectification, the decision of the tribunal may be nullified by an action for nullification subject to the provisions of Articles 50 and 51 of this Law.

#### **Article 48**

1. Each arbitration party may, even upon expiry of the time limit for arbitration, petition, within thirty days following the date of receipt of the arbitration award, the arbitration tribunal to make an additional award as to claims presented in the arbitration proceedings but omitted from the award. The other party shall be notified of such petitions on his address indicated in the arbitration award prior to its submission to the arbitration tribunal.
2. The arbitration tribunal shall issue its award within sixty days from the petition submission date, and it may, if it deems it necessary, extend such period for an additional thirty days.

## **Chapter 6**

### **Nullification of Arbitration Award**

#### **Article 49**

Arbitration awards rendered in accordance with the provisions of this Law are not subject to appeal, except for an action to nullify an arbitration award filed in accordance with the provisions of this Law.

#### **Article 50**

1. An action to nullify an arbitration award shall not be admitted except in the following cases:
  - a. If no arbitration agreement exists, or if such agreement is void, voidable, or terminated due to expiry of its term;
  - b. If either party, at the time of concluding the arbitration agreement, lacks legal capacity, pursuant to the law governing his capacity;
  - c. If either arbitration party fails to present his defense due to lack of proper notification of the appointment of an arbitrator or of the arbitration proceedings or for any other reason beyond his control;
  - d. If the arbitration award excludes the application of any rules which the parties to arbitration agree to apply to the subject matter of the dispute;
  - e. If the composition of the arbitration tribunal or the appointment of the arbitrators is carried out in a manner violating this Law or the agreement of the parties;
  - f. If the arbitration award rules on matters not included in the arbitration agreement. Nevertheless, if parts of the award relating to matters subject to arbitration can be separated from those not subject thereto, then nullification shall apply only to parts not subject to arbitration.
  - g. If the arbitration tribunal fails to observe conditions required for the award in a manner affecting its substance, or if the award is based on void arbitration proceedings that affect it.
2. The competent court considering the nullification action shall, on its own initiative, nullify the award if it violates the provisions of Sharia and public policy in the Kingdom or the agreement of the arbitration parties, or if the subject matter of the dispute cannot be referred to arbitration under this Law.
3. The arbitration agreement shall not terminate with the issuance of the competent court decision nullifying the arbitration award unless the arbitration parties agree thereon or a decision nullifying the arbitration agreement is issued.

4. The competent court shall consider the action for nullification in cases referred to in this Article without inspecting the facts and subject matter of the dispute.

#### **Article 51**

1. An action for nullification of the arbitration award shall be filed by either party within sixty days following the date of notification of said party of the award; and such action is admissible even if the party invoking nullification waives his right to do so prior to the issuance of the arbitration award.
2. If the competent court approves the arbitration award, it shall order its execution and its decision shall be non-appealable. If, otherwise, the court decides the nullification of the award, its decision shall be subject to appeal within thirty days following the date of notification of such decision.

## **Chapter 7**

### **Authority and Enforcement of Arbitration Awards**

#### **Article 52**

Subject to the provisions of this Law, the arbitration award rendered in accordance with this Law shall have the authority of a judicial ruling and shall be enforceable.

#### **Article 53**

The competent court, or designee, shall issue an order for enforcement of the arbitration award. The request for enforcement of the award shall be accompanied with the following:

1. The original award or an attested copy thereof.
2. A true copy of the arbitration agreement.
3. An Arabic translation of the arbitration award attested by an accredited authority, if the award is not issued in Arabic.
4. A proof of the deposit of the award with the competent court, pursuant to Article 44 of this Law.

#### **Article 54**

Filing of a nullification action shall not stay execution of the arbitration award. Nevertheless, the competent court may order a stay of execution if the plaintiff so requests in his nullification action and if his request is based on sound grounds. The competent court shall decide the stay of execution application within fifteen days from the petition submission date. If the court decides a stay of execution, it may order that a bail or financial guarantee is provided. If the competent court orders a stay of execution, it shall decide on the nullification action within one hundred eighty days from the date of issuance of said order.

## **Article 55**

1. A petition to execute the arbitration award shall not be admitted, unless the deadline for filing a nullification action elapses.
2. The order to execute the arbitration award under this Law shall not be issued except upon verification of the following:
  - a. The award is not in conflict with a judgment or decision issued by a court, committee or commission having jurisdiction to decide the dispute in the Kingdom of Saudi Arabia;
  - b. The award does not violate the provisions of Sharia and public policy in the Kingdom. If the award is divisible, an order for execution of the part not containing the violation may be issued.
  - c. The award is properly notified to the party against whom it is rendered.
3. An order to execute the arbitration award may not be appealed, while an order denying execution of the award may be appealed before the competent authority within thirty days from the date of its issuance.

## **Chapter 8**

### **Concluding Provisions**

#### **Article 56**

The Council of Ministers shall issue the Implementing Regulations of this Law.

#### **Article 57**

This Law shall supersede the Law of Arbitration promulgated by Royal Decree No. (M/46) dated 12/7/1403H

#### **Article 58**

This Law shall enter into force thirty days from date of publication in the Official Gazette.