# LAW AND ARBITRATION CENTRE IN ASSOCIATION WITH CLOUT LEGAL CONSULTANCY FIRM

Law No. 31 of 2001

(JORDAN) ARBITRATION LAW

# **Preliminary Note**

The Arbitration Law No. 31 of 2001 in Jordan is mainly derived from the Egyptian Arbitration Act No. 27 of 1994, which is based on the UNCITRAL Model Law of 1985 on International Commercial Arbitration. The current translation of the Jordanian law is an unofficial translation made by Law and Arbitration Centre in Jordan, in Association with Clout Legal Consultancy Firm, which is a private law firm. Many thanks to Cairo Regional Centre for International Commercial Arbitration, who made the unofficial translation of the Egyptian Law. Gratitude is extended to His Excellency Engineer Da'woud Khalaf (of Jordan) for his draft translation of the Jordanian Arbitration Law of 2001 (before the 2018 amendments). Many thanks also to the UNCITRAL Model Law. All of the above were of help to Law and Arbitration Centre and Clout in performing their tasks.

It is to be noted here that the few annotations on the English text are not part of the Jordanian Arbitration Law, but have been made by the translator(s) for clarity.

Law and Arbitration Centre
In Association with Clout Legal Consultancy Firm

# LAW No. 31 of 2001 [JORDAN]<sup>1</sup> ARBITRATION LAW

Article 1: This law shall be called (Arbitration Law of 2001) and shall come into force after thirty days of publishing it in the Official Gazette<sup>2</sup>.

### **General Provisions**

### Article 2:

a. The following expressions, wherever appearing in this law, shall have the meaning assigned thereto unless the context indicates otherwise:

**Arbitral Tribunal**: the tribunal composed of one or more arbitrators to adjudicate a dispute referred to arbitration in accordance with the provisions of this law.

**Competent Court**: the court of appeal within its jurisdiction the arbitration is conducted unless the parties agree to the jurisdiction of another court of appeal in the Kingdom<sup>3</sup>.

**Seat of Arbitration**: the country which both parties to arbitration have agreed to consider it as the seat of arbitration, or the country where both parties have agreed to apply the arbitration law effective on the arbitration procedures, or the country which the arbitral tribunal chooses it as a seat thereof in case of absence of an agreement.

**Competent Judge**: the president of the Competent Court or any of the [Competent] Court judges who is authorized in writing by the Competent Judge.

# Article 3:

- a. Subject to the provisions of international conventions effective in the Kingdom, the provisions of this law shall apply to every conventional arbitration conducted in the Kingdom and to every arbitration it is agreed to be subject to this law, whether it relates to a civil or commercial dispute between parties of public or private law persons whatever the legal relationship to which the dispute is connected, whether contractual or not.
- b. The applicable legal rules and principles in international arbitration shall be considered in interpreting the provisions of this law and at all events the international commercial custom shall be considered.

### Article 4:

The provisions of this law shall apply to every arbitration existing at the time of its entry into force or commences thereafter even if it is based on an arbitration agreement prior to the entry into force of this law, provided that all previous procedures taken in accordance with any prior law shall remain valid.

<sup>&</sup>lt;sup>1</sup> The word(s) between the two brackets ("[]") are added by Law and Arbitration Centre.

<sup>&</sup>lt;sup>2</sup> The Law was published in the Official Gazette on July 16 2001 no. 4496 (p. 2821-2836). The translation of this version was done in June 2019 and it includes the changes that are enforceable pursuant to Amending Law Number 16 of 2008, published in the Official Gazette on May 2, 2018 no. 5513 (p. 2317-2332), and Amending Law Number 41 of 2018, published in the Official Gazette on December 27, 2018 no. 5551 (p. 7712-7713), enforceable on December 27, 2018.

<sup>&</sup>lt;sup>3</sup> "Kingdom" means the Hashemite Kingdom of Jordan.

### Article 5:

- a.1 In cases where this law allows the two arbitrating parties to choose a procedure that should be followed in a certain issue, this includes their right to permit or authorize the arbitral tribunal or third party, or to authorize any of them ,to decide or choose such procedure, and this permission or authorization shall be deemed an agreement.
- a.2 For the purposes of applying the provisions of paragraph no. (1) of this subparagraph, any person, body or authority chosen by the parties to perform certain tasks relating to assistance in completing the constitution of the arbitral tribunal and advancing with the arbitration proceedings, including any institution or arbitration centre inside or outside the Kingdom, shall be deemed as a third party.
- b. In case the third party does not undertake his tasks or he is late in [performing his tasks] to an extent that could obstruct the arbitration process or in case it is not possible to perform those tasks, either party may resort to the Competent Judge to carry out such procedure after hearing the sayings of the other party.
- c. In case of absence of an agreement, permission or authorization to third party, the provisions of this Article shall not affect the arbitral tribunal's right to choose or take any procedure which it deems necessary for the sound arbitral proceedings and the arbitral tribunal shall have at all events the authority to manage and administer those [arbitral] proceedings.

### Article 6:

- a. Unless otherwise agreed by the two arbitrating parties, any (written) communication is deemed to have been received by a party, if it is delivered to the addressee personally, or delivered at his place of business, habitual residence, or mailing address known to both parties, or according to the method of written or electronic communication previously exchanged between the two parties to the arbitration.
- b. If it was not possible to know any of the addresses mentioned in paragraph a. of this Article the notice shall be deem effective if it was delivered by registered or express mail to the last working place or the usual place of residence or email known for the person required to be notified.
- c. The provisions of paragraphs a. and b. of this Article shall not apply to judicial notifications before the courts.
- d. Any [written] letter shall be deemed to have been sent on the day it was sent if it was sent before midnight in the country from which it was sent.
- Article 7: A party who knows that any requirement under the arbitration agreement or any provision of this law from which the parties may derogate has not been complied with and yet proceeds with the arbitration without stating his objection to such noncompliance within the time limit agreed upon or, in case of non-agreement, within a reasonable time, shall be deemed to have waived his right to object.
- Article 8: In matters governed by this law, no court shall intervene except in cases provided for therein without prejudice to the arbitral tribunal's right of asking the competent court for assistance in the arbitral proceedings, such as calling a witness or an expert, ordering the submission of a document or a copy thereof or reviewing it, or any other thing, as the tribunal finds appropriate.

### **Arbitration Agreement**

### Article 9:

- a. Arbitration agreement is the parties' agreement, whether natural or legal persons who have the legal capacity to enter into agreements, to refer to arbitration some or all of the disputes which have arises or may arise between them regarding specific legal relationship, whether contractual or not.
- b. Arbitration is not permitted in matters on which compromise is not allowed<sup>4</sup>.

### Article 10:

- a. An arbitration agreement shall be in writing otherwise it is void. An agreement is in writing if it is contained in a document signed by the parties or in a form of exchanged paper or electronic communication, or in any other form of any other means of written communication which is confirmed to be delivered and which shall be deemed a record of an agreement.
- b. The reference in a contract to the provisions of another document such as model contract or an international convention which contains an arbitration clause constitutes an arbitration agreement unless it is explicitly excluded by the parties.
- c. If the parties agree to arbitration while a court is reviewing the dispute, the court shall refer the dispute to arbitration and its decision shall be deemed as an arbitration agreement in writing.
- d. Notwithstanding the provisions of any other legislation and without affecting the previous legal positions prior to the date of enactment of this amended[sic] law, any previous agreement to arbitrate shall be considered void in the following matters [contracts]:
  - 1. Consumer contracts prepared on standard forms of agreement<sup>5</sup>.
  - 2. Employment Contracts.

### Article 11:

The arbitration agreement may be (concluded)(1) before the occurrence of the dispute whether in the form of a separate agreement or contained in a specific contract arising between the two parties. The arbitration agreement may also be concluded after the occurrence of the dispute even if such dispute was the subject of an action before any "judicial body" and, in such a case, the agreement must precisely determine the subject of the dispute or, else, it is void.

### Article 12:

a. A court before which an action is brought in a dispute which is the subject of an arbitration agreement shall dismiss the case if the defendant so requests before entering into the substance of the dispute.

<sup>&</sup>lt;sup>4</sup> i.e., is not allowed by law or, in other words, that the dispute cannot be decided, according to the law, on "amicable compositeaur" basis.

<sup>&</sup>lt;sup>5</sup> The exact translation is "Consumer contracts prepared on reprinted forms".

<sup>&</sup>lt;sup>6</sup> This means in most, if not all, cases "a court".

b. Bringing an action as referred to in paragraph (a) of this Article, does not preclude the commencement or continuation of the arbitral proceedings or the issuance of the arbitral award, unless otherwise agreed by the two parties.

Article 13: It is not incompatible with an arbitration agreement for a party to request, before or during arbitral proceedings, from a "Judge of Summary Matters" that a provisional or conservatory measure be taken in accordance with the "Law of Civil Procedures" and such measure may be withdrawn in the same manner.

### **The Arbitral Tribunal**

### Article 14:

- a. The arbitral tribunal shall be composed, by agreement between the two parties, of one or more arbitrators and in case of non-agreement the number of arbitrators shall be three.
- b. The number of arbitrators, if more than one, shall be odd, otherwise the arbitration is void

### Article 15:

- a. An arbitrator must not be a minor, an interdicted person or deprived from his civil rights on the ground of a judgment against him for a felony or misdemeanour contrary to honour or due to a declaration of his bankruptcy, even if he has been rehabilitated.
- b. Unless otherwise agreed by the two arbitrating parties or provided for by the law, an arbitrator need not be of a specific gender or nationality.
- c. The arbitrator's acceptance of his mandate shall be in writing and, when accepting, he shall disclose any circumstances likely to give rise to doubts as to his impartiality or independence and this obligation on part of the arbitrator shall continue to exist if such circumstances arise during the course of the arbitral proceedings.

# Article 16:

- a. The two arbitrating parties are free to agree on the selection of arbitrators and on the manner and the date of their selection. Failing such agreement, the following procedures shall be followed:
  - 1. If the arbitral tribunal consists of a sole arbitrator, he shall be appointed, upon request by either party, by the Competent Judge.
  - 2. If the arbitral tribunal consists of three arbitrators, each party shall appoint one arbitrator and the two arbitrators thus appointed shall appoint the third arbitrator. If either party fails to appoint his arbitrator within fifteen days following the date of receipt of a request to do so from the other party, or if the two appointed arbitrators fails to agree on the third arbitrator within fifteen days following the date of appointing the more recently appointed arbitrator, the appointment shall be made, upon request of either party, by the Competent Judge. The third arbitrator, whether appointed by the two appointed arbitrators or by the Competent Judge, shall preside the arbitral tribunal.
- b. If the parties to the arbitration are three or more they can agree on the number of arbitrators, the method of their appointment and the method determining the chairman among them and in case of disagreement the following procedures shall be followed:

- 1. If they agree on the number of arbitrators and the method of their appointment without agreeing on the method of determining the chairman among them, the chairman shall be determined by consensus agreement of the members of arbitration tribunal, and in case it was not possible to determine the chairman in this situation, then the Competent Judge shall appoint him [the chairman] upon the request of the parties of the arbitration.
- 2. If it is agreed on the number of arbitrators without agreeing on the method of their appointment, the Competent Judge shall appoint them as per the number agreed upon and shall determine the Chairman among them.
- 3. If the parties to arbitration did not agree on the number of arbitrators and the method of their appointment, the number of arbitrators shall be three, to be appointed by the Competent Judge, who shall determine the chairman among them.
- c. If either party violates the agreed procedures of selecting the arbitrators, the two parties have not agreed on the way of performing such procedures, the two appointed arbitrators have not agreed on a matter that should be agreed on or if the third party fails to perform a function entrusted to him in this respect, then the Competent Judge shall, upon request of either party, carry out the required measure or function after hearing the other party.
- d. When selecting an arbitrator, the competent court shall take into account the conditions required by this law as well as those agreed upon by the parties, and it shall issue its decision on the appointment of the arbitrator expeditiously, after hearing the other party.

# Article 17:

- a. An arbitrator may be challenged only if serious circumstances exist that give rise to doubts as to his impartiality or independence.
- b. Neither party may challenge an arbitrator appointed by him or in whose appointment he has participated, except for a reason he became aware after the appointment has been made.

### Article 18:

- a. The application for challenge, along with the attachments shall be submitted in writing to the arbitral tribunal, stating therein the reasons for the challenge, within fifteen days from the date the applicant becomes aware of the constitution of the arbitral tribunal or [from the date he/it becomes aware] of the circumstances justifying the challenge. Unless the challenged arbitrator withdraws from his office, the challenged arbitrator shall respond to the application (and the attachments) within fifteen days from the date of the submission of the application and the arbitral tribunal in this case shall upon a request of the applicant refer the application along with the challenged arbitrator's response to the Competent Court to decide on the matter.
- b. Unless it decides to the contrary, the application to challenge shall be decided by the Competent Court without hearings within thirty days from the date [it is registered] and its decision shall not be subject in any way to appeal.

- c. A request for challenge from a party who had previously submitted a request for challenging the same arbitrator and for the same reason shall not be admitted.
- d. The submission of the application for challenge shall not suspend the arbitral proceedings and if the challenge is admitted, all arbitral procedures in which the challenged arbitrator has participated, including the final arbitral award shall be deemed void and the arbitral tribunal with its new panel may confirm any previous proceedings, provided that the appointment of the chairman, whom the challenged arbitrator participated in appointing him shall remain valid.
- Article 19: Subject to the provisions of both clauses a. and b. of Article 5 of this law, if an arbitrator becomes unable to perform his function or fails to commence or to continue such performance in a manner which leads to unjustifiable delay in the arbitral proceedings, and if neither he withdraws from his office nor the two parties agree on removing him, then the Competent Court is empowered, upon request of either party, to terminate his mandate by a decision which shall be subject to no appeal whatsoever.
- Article 20: Where the mandate of an arbitrator terminates by a judgement admitting the challenge or because of removing him [by agreement of the parties], his withdrawal from his office, death, or his inability [to perform his function], or for any other reason, then a substitute arbitrator shall be appointed according to the rules that were applicable to the appointment of the arbitrator whose mandate being terminated.

### Article 21:

- a. The arbitral tribunal is entitled to rule on pleas related to its own jurisdiction including those related to the nonexistence of an arbitration agreement, the expiry or nullity of such agreement, or that the subject of the dispute is not included in the agreement.
- b. Those pleas shall be raised not later than the submission of the statement of defence referred to in Article (29/b) of this law. A party is not precluded from raising any of such pleas by the fact that he has appointed, or participated in the appointment of, an arbitrator. The plea that the arbitration agreement does not include matters raised by the other party while the dispute is being reviewed, shall be raised immediately or, else, the right of such plea shall lapse. In all cases, the arbitral tribunal may admit a late plea if it considers that the delay was due to a legitimate excuse or a justified reason.
- c. The arbitral tribunal may rule on the pleas referred to in paragraph (a) of this article before ruling on the merits or may join them to the merits in order to adjudicate both [matters] together. If it rules to dismiss the plea, such plea may not be raised except through the institution of a case for the annulment of the arbitral award adjudicating the dispute pursuant to the provisions of annulment of awards as stated in this law.
- Article 22: An arbitration clause shall be treated as an agreement independent of the other terms of the contract. The nullity, revocation or termination of the contract shall not affect the arbitral clause therein if such clause is valid by itself.

# Article 23:

a. Subject to article (13) of this law, the two arbitrating parties may agree that the arbitral tribunal is empowered to order either of them, whether by its own initiative or upon request of either party, to take whatever interim or conservative measures it find necessary in respect of the subject-matter of the dispute, and it may require [either party] to provide sufficient security to cover the expenses of such measures.

b. If the party to whom the order has been addressed fails to execute it, the arbitral tribunal may, upon request of the other party, authorize the latter to take the procedures necessary for such execution including the right to apply to the Competent Judge for issuing an order of enforcement.

# The Arbitral Proceedings

### Article 24:

- a. The two arbitrating parties are free to agree on the procedures to be followed by the arbitral tribunal and the order of both parties' roles in submission of statements, evidences, pleadings, and the method of submission of evidences. The parties may also refer to any rules adopted for this purpose to any arbitration centre whether inside or outside the Kingdom.
- b. The Arbitral tribunal shall issue a procedural decision under which it shall define the arbitration procedures to be followed including the time schedule of arbitration and the matters stated in the above paragraph, subject to any agreement by both parties in this regard.

### Article 25:

- a. The arbitral tribunal shall comply with the impartiality and equality principles between the parties to the agreement and shall grant to each of them full and equal opportunity to submit his claim and defence and it shall avoid any unjustified delay or unnecessary expenses in order to achieve fair and expeditious means to resolve the dispute.
- b. The Jordanian advocate representing any of the parties may get assistance from any advocate who is not Jordanian or any other person who has expertise and competence if the law applicable to subject matter of the dispute that is referred to arbitration is foreign law.

# Article 26:

- a. Unless otherwise agreed by the parties, the arbitral proceedings commence on the date on which the composition of the arbitral tribunal is completed.
- b. For the purpose of the substance of the claim, which must be filed within the time limit defined by law after the issuance of an attachment order or summery order, it shall be sufficient for the applicant of the arbitration to send legal notice to the other party to notify him with the appointment of the arbitrator nominated by [the applicant of the arbitration] and attaching therewith a statement which states that the arbitrator accepted the appointment and at all events such notice shall interrupt the prescription period.

### Article 27:

a. The two parties are free to agree on the place of arbitration in the Kingdom or abroad; failing such agreement, the place of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case and the convenience of the parties in respect of such place. Nonetheless, the arbitral tribunal may meet at any place it considers appropriate to perform any of the arbitral procedures such as the hearing of the parties to the dispute, witnesses or of experts or for reviewing documents or the inspection of goods or property or for consultation among its members, or for any other thing.

b. The arbitral tribunal may use modern means of communication to carry out any of the arbitral proceedings.

### Article 28:

- a. The arbitration shall be conducted in the Arabic language.
- b. Notwithstanding the provision of paragraph a. [above], both parties to arbitration may agree on another language, the arbitral tribunal may also decide another language, and this agreement or decision shall apply to the language of the evidences, written submissions, verbal pleadings and to any decision taken by the arbitral tribunal or communication sent or award it renders, unless both parties agree otherwise or the arbitration tribunal decision otherwise provides.
- c. The arbitral tribunal my decide that all or part of the (written) documents used in the arbitration must be accompanied by a translation into the language or languages used in the arbitration and in case of multiplicity of such language(s), the translation may be limited to some of them.

### Article 29:

- a. Within the period of time agreed by the parties or determined by the arbitral tribunal, the claimant shall send to the respondent and to each of the arbitrators a written statement of claim containing his name and address and the name and address of the respondent, an explanation of the facts of the case, a specification of the disputed issues, his claims and any other matter required, by the arbitration agreement, to be cited in that statement.
- b. Within the period of time agreed by the parties or determined by the arbitral tribunal and in reply to the statement of claim, the respondent shall send his statement of defense in writing to the claimant and to each of the arbitrators. The respondent may include in his statement any incidental claims or any other defences related to the subject—matter of the dispute or invoke a right arising therefrom for the purpose of claiming a set-off, and he may do so even at a subsequent stage of the proceedings if the arbitral tribunal considers that the circumstances justify this [delay].
- c. Either party may annex to his statement of claim or defence, as the case may be, copies of the documents he relies on or make a reference to all or some of documents and means of evidence he will submit, and this shall be without prejudice to the tribunal's right to request the submission of the originals of documents on which either party relies or any other evidence that it deems necessary to make a judgment in the claim.

# Article 30: A copy of any memoranda, documents or papers submitted by either party to the arbitral tribunal shall be sent to the other party. A copy of any experts' reports, documents and any other [means of] evidence submitted to the tribunal shall be sent to both parties.

Article 31: Either of the two arbitrating parties may amend his claims or defences or complete [his claims and defences] or provide additional evidence during the course of the arbitral proceedings, unless the arbitral tribunal decides not to accept such amendment to avoid delaying adjudication of the dispute.

# Article 32:

a. The arbitral tribunal shall hold hearings to enable each of the two parties to explain the subject-matter of the case and to submit his arguments and evidence and the tribunal

may consider that the submission of [written] memoranda and documents is sufficient [for adjudicating the dispute] if the parties agree to this.

- b. The two arbitrating parties shall be notified of the date of hearings and meetings, which has been decided by the arbitral tribunal, and this shall be made before a sufficient time of such date according to the tribunal's judgement.
- c. The minutes of each hearing held by the arbitral tribunal shall be recorded in any form the tribunal decides, provided that such minutes shall be transcribed or recorded in a written minutes, copy of which shall be delivered to each of the two parties.
- d. Permitting to the parties of the arbitration for each to attach with the list of his evidences written testimony for any of his witnesses, provided that the same shall be accompanied with oath before the notary public.
- e. If any of the parties submit an written testimony, accompanied with oath, for any of his witnesses and the other party requests to question the witness, and the witness does not appear before the arbitral tribunal to allow the other party to question him, then that written testimony shall be discarded.
- f. Any of the parties may with its list of exhibits submit an expert report, prepared by an expert he had chosen provides that the letter of appointment of that expert, and his tasks and the amount paid to him, shall be disclosed, and provided that the expert shall be heard before the arbitral tribunal in the same manner the witnesses are heard if the arbitral tribunal so decides or the other party so requests.
- g. The hearing of witnesses and experts shall be conducted under oath in the form determined by the tribunal.
- h. The arbitral tribunal may accept hearing witnesses using various means of technological communication including televised or closed circuit. In any case the arbitral tribunal has the right to determine to call the witness to attend a hearing before the tribunal for examination.
- i. the arbitral tribunal may, on its own accord or upon a request by any of the parties to the arbitration, to decide [to conduct] an inspection and [to appoint] an expert in accordance with Article (34) of this law.
- j. the arbitral tribunal shall have the competence to decide on all matters relating to the experts, end their duties, challenging them and the acceptance or rejection of their repot totally or partially.

### Article 33:

- a. If the claimant fails to submit his statement of claim according to Article (29/a) of this law without [showing] sufficient cause, the arbitral tribunal may decide to terminate the arbitral proceedings unless the respondent otherwise requests.
- b. If the respondent fails to submit his statement of defence in accordance with Article (29/b) of this law, the arbitral tribunal shall continue the proceedings without treating this in itself as an admission by the respondent of the claimant's claim.

c. If either party fails to appear at any hearing or to submit the documents requested from him, the arbitral tribunal may continue the proceedings and make the award on the evidence available before it.

### Article 34:

- a. the appointed expert by the arbitral tribunal shall be one or more natural or legal person [whom shall] perform the duty on any movable or immovable property or for any matter [the tribunal] deems necessary that requires an expert.
- b. if the parties agree on electing an expert or experts, the tribunal shall accept such appointment, otherwise the tribunal shall elect them on its own accord and it must state in the decision the expert duties and to order to deposit the expenses and to specify the party who shall make the payment.
- c. The entire arbitral tribunal may conduct the inspection or it may delegate one or more of its members to do so.
- d. a copy of the expert report shall be notified to both parties and the arbitral tribunal, on its own accord, to call the expert for examination and the parties may also ask to examine him and the tribunal may decide to return the report to the expert to complete whatever is missing in the report or [the tribunal may] assign the expert [tasks] to another expert or more whom shall be duly elected.

### Article 35:

The proceedings before the arbitral tribunal shall suspend in accordance with the situations and conditions provided for in the Law of Civil Procedures, and such suspension shall have the effects as mentioned therein.

### **The Arbitral Award and Termination of Proceedings**

### Article 36:

- a. The arbitral tribunal shall apply to the subject-matter of the dispute the legal rules agreed upon by the two parties, and if they have agreed to apply the law of a given State, the substantive rules in that law shall be followed and not its rules relating to conflict of laws.
- b. Failing an agreement by the parties on the legal rules applicable to the subject-matter of the dispute, the arbitral tribunal shall apply the substantive rules in the law it deems most closely connected to the dispute.
- c. In all cases, the arbitral tribunal shall, when adjudicating the subject-matter of the dispute, apply the terms of the contract which is the subject of the dispute, and shall take into account the customs applicable to the transaction, the prevailing usages and the [previous] dealing applied by the two parties.
- d. The arbitral tribunal may, if it has expressly been empowered to act as an amiable compositeur by an agreement between the two arbitrating parties, decide the dispute in accordance with the rules of justice and equity without complying with the law.

# Article 37:

a. The arbitral tribunal shall render the final award ending the entire dispute within the period of time as agreed upon by the two parties; failing such agreement, the award shall be rendered within twelve months as of the date of arbitral tribunal is constituted and in all events the arbitral tribunal may, before the expiry of the term, extend it for additional period or periods provided that the entire [extension period] shall not exceed twelve months, unless the parties agree on a term that is longer than that.

b. If the arbitral award has not been rendered within the period of time as provided for in paragraph (a) of this article, either party may apply to the Competent Judge to give an order setting another one period or more [for rendering the award] or terminating the arbitral proceedings after [giving the opportunity] to the other party to respond. If the decision was taken to that proceedings, either party may bring an action before the court that originally has jurisdiction over the dispute.

### Article 38:

- a. unless otherwise agreed by the two parties, if the arbitral tribunal is composed of more than one arbitrator any decision of the tribunal including the final award shall be made unanimously or by majority.
- b. However, a presiding arbitrator, if so authorized by the two parties or all the members of the arbitral tribunal, may decide questions of procedure.
- c. If the majority mentioned in paragraph a. of this Article could not be achieved to render final arbitration awards then the award shall be rendered by the chairman of the arbitral tribunal if it is so agreed by the parties.

### Article 39:

If, during the arbitral proceedings, the parties have agreed on a settlement ending the dispute, they are entitled to request that the terms of settlement be recorded (in writing) before the arbitral tribunal, which is bound, in this case, to give a decision containing those terms and ending the proceedings. Such decision shall have the effect of enforcement as the arbitral awards have.

# Article 40:

- a. The arbitral tribunal may, before rending the award, issue interlocutory or provisional decision or partial awards before rending the final award.
- b. if any of the two parties admits some of the other party's claims, the other party may immediately obtain final award on that [matter].

### Article 41:

- a. The arbitral award shall be in writing and shall be signed by the arbitrators. If the arbitral tribunal is composed of more than one arbitrator, the signatures of the majority of the arbitrators shall suffice, provided that the reasons for the non-signing of the minority are stated in the award.
- b. The arbitral award shall state the reasons upon which it is based.
- c. The arbitral award shall include the names and addresses of the parties to the dispute and their addresses, the names of the arbitrators, their addresses, nationalities and capacities, a summary of the arbitration agreement, the facts of the dispute and of the party's claims, sayings defences and documents, the text of the ruling (award), the date and place it was rendered, and the reasons on which the award is based when the citing of such reasons is mandatory. The award shall [also] determine the arbitrators' fees, the costs of arbitration and the way of distributing such costs between the parties.
- d.1 if the parties to the arbitration and the arbitrators did not agree on the arbitrators' fees and distribution [of the fees] among them, then the [the fees] shall be decided by the arbitral tribunal and both parties shall be requested to pay the arbitrator's fees equally,

without prejudice to the arbitral tribunal's right to decide on the expenses and fees and the method of distribution of the same in the final arbitral award.

- d.2 if any party fails to pay his share of the expenses and fees, the other party shall be requested to pay on his behalf.
- d.3 In all events, every decision made by the arbitral tribunal with regard to the arbitration fees can be challenged before the Competent Court within fifteen days from the date on which the parties are notified and it decision on this matter shall be binding.

### Article 42:

- a. The arbitral tribunal shall deliver to each of the two parties a copy of the arbitral award within thirty days of the date of rendering it.
- b. The arbitral award may not he published in whole or in part except with the approval of the two parties to arbitration.

### Article 43:

If, in the course of arbitral proceeding, a matter outside the scope of the arbitral tribunal's jurisdiction arises, or if a document submitted to it is challenged for forgery and criminal proceedings in respect of that document or for any other criminal act have been instituted, the arbitral tribunal may continue reviewing the subject of the dispute if it deems that the adjudication on this matter, on the forgery of the document or on the other criminal act is not indispensable for issuing an award on the subject of the dispute. Otherwise, the tribunal shall decide the suspension of the proceedings until a final judgment is issued in this respect, and such decision entails the suspension of the time limit determined for rendering the arbitral award.

### Article 44:

- a. the arbitral proceedings are terminated in any of the following events:
  - 1. Upon the issuance of the award ending the entire dispute.
  - 2. Upon the issuance of an order ending the arbitral proceedings pursuant to paragraph a. of Article 33 or paragraph b. of Article 37 of this law.
  - 3. If the two parties agree on the termination of the arbitral proceedings.
  - 4. If the claimant abandons the dispute submitted to arbitration, unless the arbitral tribunal decides, upon the respondent's request, that the latter has a genuine interest in the continuation of the arbitral proceedings until the dispute is adjudicated.
  - 5. If the arbitral tribunal finds that the continuation of the arbitral proceedings has for any reason become useless or impossible.
  - 6. Failure to reach the majority required for the issuance of the arbitral award as per the parties' agreement.
- b. Subject to the provisions of articles 45, 46 and 47 of this law, the mandate of the arbitral tribunal terminates with the termination of the arbitral proceedings.

# Article 45:

a. Either of the two arbitrating party may, within thirty days following the date of receipt of the arbitral award, request the arbitral tribunal to interpret any ambiguity in the text of

the award. The party requesting interpretation shall, before submitting the request to the tribunal, send a copy of such request to the other party.

- b. The interpretation shall be issued within thirty days following the date on which the request for interpretation was submitted to the arbitral tribunal. The tribunal may extend this period of time for further fifteen days if it deems such extension is necessary.
- c. The decision of interpretation is deemed to be a complementary part of the arbitral award and is subject to the rules applicable thereto.
- d. The decision for interpretation shall be combined with the claim to nullify the arbitral award, in case it was filed or being examined before it was issued.
- e. In case it was proven that it is impossible for the arbitral tribunal that rendered the award to meet to examine the interpretation request then the matter can be referred to the Competent Court unless the parties agree otherwise.

### Article 46:

- a. The arbitral tribunal shall, by a decision on its own initiative or upon request of a party, correct any material errors in its award, whether clerical or in computation. The decision of correction shall be issued without a hearing within thirty days following the date of rendering the award or of submitting the request for correction, as the case may be.
- b. The decision of correction shall be issued by the arbitral tribunal in writing and be notified to the parties within thirty days of the date on which it was issued. If the arbitral tribunal exceeds its authority relating to correction, the decision of the tribunal may be nullified by an action for nullity subject to the rules of this law.
- c. the decision of correction shall be combined with the claim to nullify the arbitral award, in case it was filed or being examined before it was issued.
- d. In case it was proven that it is impossible for the arbitral tribunal that rendered the award to meet to examine the correction request then the matter can be referred to the Competent Court unless the parties agree otherwise.

### Article 47:

- a. Either of the two arbitrating parties may, even after the expiry of the time limit for arbitration, request, within thirty days following the date of receipt of the arbitral award, the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award. Such request shall be notified to the other party before its submission [to the tribunal].
- b. The arbitral tribunal shall make the additional award within sixty days from the date on which the request was submitted, and may extend this period of time for other thirty days if it deems such extension necessary.
- c. the additional award shall be deemed supplemental to the arbitral award and shall be subject to its provisions.
- d. the additional award shall be combined with the claim to nullify the arbitral award in case it was filed or being examined before it was issued.

# **Nullity of Arbitral Award**

### Article 48:

Arbitral awards rendered in accordance with the provisions of this law may not be challenged by any of the means provided for in the Law of Civil Procedures. However, an action for nullity of the arbitral award may be instituted in accordance with the provisions of Article (49), (50) and (51) of this law.

### Article 49:

- a. An action for the nullity of the arbitral award shall not be admitted except in any of the following cases:
  - 1. If no valid arbitration agreement [and] in writing exists, or such agreement is terminated because of the expiration of its time limit.
  - 2. If, at the time of concluding the arbitration agreement, either of the two arbitrating parties was [fully] incapacitated or minor pursuant to the law governing his capacity.
  - 3. If either of the two arbitrating parties was unable to present his defence because he was not properly notified of the appointment of an arbitrator or of the arbitral proceedings or for any other reason beyond his control.
  - 4. If the arbitral tribunal excluded the application of the law agreed upon by the parties to govern the subject-matter of the dispute.
  - 5. If the composition of the arbitral tribunal or the appointment of the arbitrators was not in accordance with this law or the agreement of the two parties.
  - 6. If the arbitral award rules on matters not included in the arbitration agreement or exceeds the scope of such agreement. Nevertheless, if parts of the award relating to matters subjected to arbitration can be separated from those not so subjected, then nullity shall apply only to the latter parts.
  - 7. If the arbitral tribunal has not compiled with the conditions of the award in a manner affecting its content, or that the award was based on void arbitral proceedings affecting it.
- b. The Cassation Court seized the action for nullity shall, by its own initiative, nullify the award in respect of what is in its content violating public order in the Kingdom, or if the subject—matter of the dispute is not capable of being subject to arbitration.

# Article 50:

- a. An action for nullity of the arbitral award must be raised before the Cassation Court within the thirty days following the date of service of the arbitral award and other party shall submit his response within the third days following the date on which he is notified.
- b. The Cassation Court shall examine the claim for nullity [without hearings] unless it decides otherwise and shall respond to the entire reasons stated therein and the waiver to his right to file a claim for nullity, that was given by the applicant prior the issuance of the arbitral award, shall not preclude his right to file it [the claim for nullity].
- c. the court may request the applicant for nullification to provide Arabic translation for any of the arbitration documents.

Article 51: If the Cassation Court uphelds the arbitral award, it must decide its execution and if it decides to nullify the award it shall declare that nullification of the award and the nullification of the award shall not nullify the arbitration agreement unless the [arbitration] agreement itself is void.

### **Enforcement of Awards**

Article 52: Arbitral awards rendered in accordance with this law are deemed to have the authority of *res judicata* and shall be enforceable by complying with the provisions of this law.

### Article 53:

- a. The application for enforcing the arbitral award shall not be accepted unless the period of time given to the action for nullity expires.
- b. An application for enforcement shall be submitted to the Cassation Court and accompanied with the followings:
  - 1. A copy of the arbitration agreement.
  - 2. The original award or a signed copy thereof.
  - 3. An Arabic translation of the arbitral award authenticated by an accredited authority

### Article 54:

- a. The Cassation Court shall review the application for enforcement without hearings, and shall order its execution unless it finds out that:
  - 1. The award includes violation of public order in the Kingdom. If that part in the award including such violation can be separated [from others], the court may order the execution of the other part(s).
  - 2. The award was not duly notified to the party against whom it was rendered.
- b. the issuance of the decision dismission the enforcement order shall revoke the arbitration agreement unless the [arbitration] agreement itself is void.
- Article 55: the provisions of this[sic] amending law shall not apply to claims already filed before the courts or the arbitral claims filed before arbitral tribunals before the date of its enforcement.
- Article 56: The Law of Arbitration No. 18 of the year 1953 shall be abrogated.
- Article 57: The Prime Minister and Ministers are tasked to carry out the provisions of this Law.