

The Kingdom of Saudi Arabia's Implementing Regulations of the 2012 Arbitration Law enter into force

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On 22 May 2017, the Kingdom of Saudi Arabia passed the Implementing Regulations of the 2012 Arbitration Law ("**Implementing Regulations**"). These regulations came into force on 9 June 2017 after publication in the Saudi Gazette of the Saudi Cabinet Decision No. 541/1438 approving the Implementing Regulations.

This is a significant development for dispute resolution in the Kingdom of Saudi Arabia as the Implementing Regulations bolster the 2012 Arbitration Law ("**Law**") by clarifying many of its provisions.

We outline below the key provisions of the Implementing Regulations:

Competent Court (Article 2)

- The Implementing Regulations clarify that the Competent Court referred to in the Law as the authority tasked with the supervision of arbitrations is the Appeal Court.

Summons (Article 3)

- While historically summons to arbitration had to be served in person in Saudi, the Implementing Regulations expressly provide that these can now be served electronically (i.e. by e-mail, text messages etc.).

Appointment of Sole Arbitrator (Article 10)

- Article 15 of the Law provides that if the parties fail to agree on the appointment of a Sole Arbitrator, "the competent court shall appoint that arbitrator".
- The Implementing Regulations clarify that such appointment shall be made within fifteen days from the date of submission of the request to the Competent Court (i.e. the Appeal Court).

Intervention and Joinder (Article 13)

- Although the Law does not contemplate the possibility of intervention or joinder of a third party, the Implementing Regulations provide that the arbitral tribunal "may" agree to the intervention or joinder of a third party in the arbitration proceedings. Joinder will, however,

only be possible if the parties to the arbitration and the third party to be joined consent to it.

Challenges to Arbitral Awards (Article 17)

- The Law provides that challenges to Arbitral Awards are to be submitted to the Competent Court without defining such term. The Implementing Regulations clarify the position by referring to the Appeal Court as the competent court to hear challenges to Arbitral Awards.
- Article 51 of the Law provides that if the Competent Court (i.e the Appeal Court) recognises the award, it will order its enforcement and its decision will be final and non-appealable. Article 51, further, provides that if the Competent Court (i.e. the Appeal Court) decides to set aside the award, its decision can be appealed within thirty days following the date of notification of the decision.
- The Implementing Regulations clarify that an appeal against the Appeal Court's decision to set aside an award must be submitted directly to the Supreme Court.

The passing of the Implementing Regulations remove a degree of uncertainty that was surrounding the 2012 Arbitration Law. Five years after the adoption of the Law, the Implementing Regulations should help to further pave the way towards the development of an arbitration friendly environment in the Kingdom of Saudi Arabia.

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