

Insights

A FIRST LOOK AT SAUDI ARABIA'S NEW DRAFT ARBITRATION LAW

Oct 20, 2025

Earlier this year, the Saudi Arabian Council of Ministers issued resolution containing a number of initiatives designed to promote Saudi Arabia as a centre for arbitration. One of those initiatives was a review of existing Arbitration Law (Royal Decree No. M/34 dated 24/05/1433 AH (corresponding to 16/04/2012)) and its Implementing Regulations.

A number of countries are actively reviewing their arbitration laws to attract international investment and strengthen their position as global dispute resolution hubs. Notable countries who have recently reformed their arbitration laws, or have announced the intention to do so, include the United Kingdom, France, Germany, India and Singapore.

In Saudi Arabia the review is well underway. Last month the Saudi National Competitiveness Centre issued a revised [draft of the Saudi Arbitration Law](#). The draft is open for public comment until 24 October.

The aim of the review is to reinforce the legislation governing arbitration proceedings in Saudi Arabia and, as with other countries, the focus of the proposed reforms is to enhance efficiency and align the law with international best practice.

Key changes proposed in the new draft law include:

- **Support for Emergency Arbitrators:** The definition of Arbitral Tribunal is extended to include an emergency arbitrator appointed under arbitration rules agreed upon by the parties.
- **Embracing Technology:** Article 8 now allows delivery by electronic means to a mobile phone or email address. Article 35(2) allows the arbitral tribunal to hold virtual meetings using modern technology. Article 52(4) envisages the signing of an award electronically.
- **Law governing the arbitration agreement:** Article 11 includes a default provision that, absent party agreement to the contrary, the law governing the arbitration agreement is the law of the seat of the arbitration. This is a welcome amendment that removes uncertainty and mirrors the approach adopted by the UK in Section 6A of the Arbitration Act 2025.

- **Arbitrator Qualifications:** Article 20 relaxes the rules on the qualifications required in order to act as an arbitrator. It removes the requirement in Article 14 of the current law that a sole arbitrator or head of the arbitral tribunal should hold at least a college degree in Islamic law. It also provides that, unless otherwise agreed by the parties, the arbitrator is not required to be of any particular nationality. These are welcome amendments that widen the pool of potential arbitrators, increasing party choice.
- **Arbitrator Immunity:** Article 27 is a new provision which provides that an arbitrator shall not be liable to the parties except in cases of fraud or gross negligence. This is another welcome amendment that aligns Saudi law with international best practice. The new provision will protect arbitrators from the fear of being sued by a disgruntled party and will encourage skilled and experienced arbitrators to accept appointments in the region.
- **Interim Measures:** Articles 29-31 expand the provisions relating to tribunal ordered interim measures. Article 30 provides details of the conditions which must be satisfied for the tribunal to make an order for interim or precautionary measures. Article 31 creates a new regime whereby tribunal ordered interim measures can be enforced by the court.
- **Joinder and Consolidation:** Article 37 is a new provision allowing the tribunal to permit the joinder or intervention of a party. Article 43 is also a new provision allowing the parties to agree to consolidate two or more arbitrations. Joinder and consolidation provisions are a common feature in most institutional arbitration rules and a useful tool for promoting efficiency in multi-party and multi-contract disputes. Again, these are welcome amendments that align Saudi law with international best practice. However, the consolidation provision is limited to circumstances in which parties agree. Many institutional rules also allow the tribunal to order consolidation where the claims are under the same arbitration agreements, or the claims are under different but compatible agreements between the same parties arising from the same legal relationship. A broadening of the consolidation provisions to allow for this may be something for the drafting team to consider.

Our Comments

The proposed reforms reflect Vision 2030's commitment to making Saudi Arabia a competitive destination for international business and dispute resolution. Removing the requirement for arbitrators to hold a degree in Islamic law will significantly expand the pool of qualified arbitrators, whilst provisions for emergency arbitrators and arbitrator immunity bring Saudi law in line with leading global jurisdictions. The Kingdom is clearly positioning itself to compete with established arbitration centres.

RELATED CAPABILITIES

- International Arbitration
- Business & Commercial Disputes
- Construction Disputes

MEET THE TEAM



Richard Dupay

Riyadh / Dubai

richard.dupay@bclplaw.com

[+971 2 652 0329](tel:+97126520329)



Othman S. Alshmry

Al Khobar / Riyadh

othman.alshmry@bclplaw.com

[+966 13 817 9335](tel:+966138179335)



Ahmed Fallatah

Riyadh

ahmed.fallatah@bclplaw.com

[+966 11 293 3699](tel:+966112933699)



Victoria Clark

London

victoria.clark@bclplaw.com

+44 (0) 20 3400 3095

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon (kathrine.dixon@bclplaw.com) as the responsible attorney.