

Kluwer Arbitration Blog

Countdown to RIDW24: The New Saudi Center for Commercial Arbitration Rules – A Potential World Beater?

Sadique Mohd (Al Aidarous) · Wednesday, February 21st, 2024

The Saudi Center for Commercial Arbitration (“SCCA”) has recently revamped its rules, aiming to solidify its position as a global leader in arbitration. The latest amendments, which have been elaborated in a previous post [here](#), showcase a commitment to efficiency, flexibility, and party engagement, appearing to set a new standard for commercial dispute resolution and contain practical rules that are rare or absent in its comparable institutions. This post comments on some of these provisions in the SCCA’s rules.

1. Article 8.1: Flexibility from the Start

SCCA’s Article 8.1 allows amendments to the statement of claims or defence before the arbitral tribunal’s constitution. This flexibility, early in the proceedings, permits refinement of the case as issues become clearer. It not only streamlines the process but also ensures that parties can adapt their arguments without unnecessary inconvenience.

2. Article 10: Pre-Meeting Facilitation

Before the tribunal is constituted, Article 10 empowers the administrator to conduct a pre-meeting, fostering communication between parties. This proactive engagement allows parties to discuss arbitrator selection, process efficiencies, and administrative matters. This early dialogue addresses the common lack of communication between warring parties at the early stage, ultimately saving valuable time.

3. Article 16: Direct Appointment for Efficiency

Article 16 empowers the SCCA Court to directly appoint arbitrators if the agreed-upon nomination procedure is delayed. This provision accelerates the process, ensuring efficiency and preventing unnecessary delays. For claimants, this is a game-changer, providing a swift resolution to the arbitration process.

4. Article 25: Focus on Efficiency and Cost-Effectiveness

Article 25 instructs the tribunal to prioritise efficiency and cost-effectiveness which includes encouraging settlement through negotiation or mediation, albeit (rightly) arbitrators cannot act as mediators without party consent. This approach may seem unconventional, but it provides an opportunity for parties to reconsider and reflect if their position becomes untenable after the initial

phases of the arbitration process.

5. Article 26: Early Dismissal for Frivolous Claims

Article 26 allows parties to seek early dismissal of claims or defences lacking merit or falling outside the tribunal's jurisdiction. This is a broader scope, beyond jurisdiction and admissibility. Such an application aims to save time and maintain focus on the main dispute during the evidentiary hearing. This is a welcomed move to weed out frivolous arguments early in the process.

6. Arbitrator Fees: Practical Compensation

Addressing the practical aspect of compensation, the SCCA's rules stipulate that arbitrator fees account for lost time in the event of a postponement or cancellation of scheduled hearings. This ensures that arbitrators are justly compensated for blocking out their time and also provides transparency to parties regarding their exposure should they decide to postpone or cancel hearings.

In summary, the SCCA's rules stand out as a potential world beater, incorporating practical and progressive elements for users of arbitration. From early flexibility to efficient arbitrator appointments and a focus on cost-effectiveness, these rules reflect a commitment to enhancing the arbitration process. As commercial disputes become increasingly complex, the SCCA now hold an advantage in leading the way in providing a streamlined, fair, and effective resolution for businesses not only in the Gulf but around the globe.



We look forward to attending the SCCA24 Conference!

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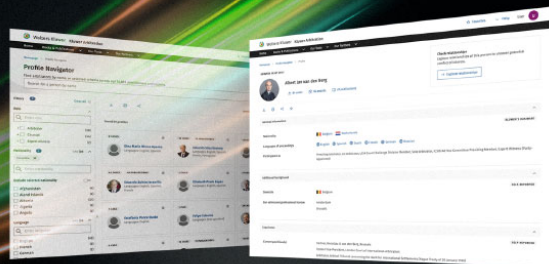
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