



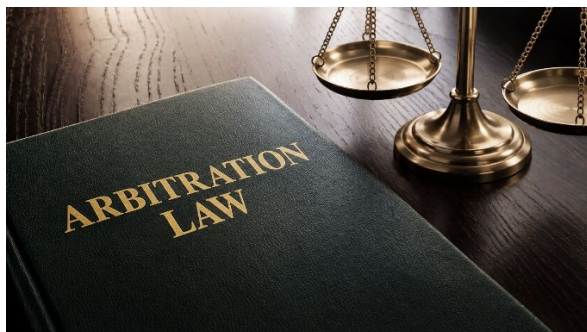
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ARBITRATION IN THE KINGDOM OF SAUDI ARABIA: KEY INSIGHTS FROM THE SCCA COUNTRY REPORT 2026

As part of the Kingdom’s continued efforts to strengthen its arbitration landscape, the Saudi Center for Commercial Arbitration (“**SCCA**”) published a Country Report in July 2026 (“**Report**”) providing an in-depth analysis of the Kingdom’s arbitration framework. The Report includes: (i) an examination of more than 960 Saudi court decisions, illustrating the effectiveness of the arbitration landscape in the Kingdom; and (ii) a comparative analysis of the existing Saudi Arbitration Law (2012) (the “**Saudi Arbitration Law**”), the Draft Arbitration Law (2025), and the UNCITRAL Model Law on International Commercial Arbitration (1985, as amended in 2006) (“**Model Law**”).

Through its examination of the Kingdom’s legislative and judicial framework, the Report highlights the extent to which the Kingdom’s arbitration regime aligns with international arbitration standards.

We outline below the key takeaways from the Report.



1- SAUDI COURTS AND ARBITRATION: A SUPPORTIVE JUDICIAL SYSTEM

The Report presents a detailed analysis of more than 960 Saudi court decisions issued by Courts of Appeal across various regions of the Kingdom between January 2023 and June 2025. These decisions address the interpretation and application of the Saudi Arbitration Law and provide insight into the extent to which the approach adopted by Saudi courts aligns with established international arbitration standards.

As set out in the Report, the decisions concern, among other matters: (i) arbitrability, (ii) the recognition of electronic notifications in arbitral proceedings, (iii) the limits of judicial intervention, (iv) the principles of competence–competence and separability of the arbitration clause, (v) respect for party autonomy in the constitution of the arbitral tribunal, (vi) respect for party autonomy in determining procedural rules, (vii) the scope of judicial review, and (viii) the application of public policy and Sharia.¹

¹ SCCA Country Report, pages 9-10.



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The Report also examines the annulment and enforcement of arbitral awards, including annulment applications and their rate of success before the Saudi courts. In this respect, the Report highlights that annulment is confined “to the narrowest possible scope”², with review limited to the grounds set out in the Saudi Arbitration Law (Article 50), which largely correspond to Article 34 of the Model Law and Article V of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958).



a. Judicial Alignment with International Arbitration Standards

The Kingdom’s courts have adopted a consistent approach across a range of arbitration matters, reflecting the effectiveness of the Kingdom’s arbitral framework:

- **Arbitrability:** The Report shows that Saudi courts have generally declined to exclude disputes from the scope of arbitration, except in specific circumstances. These include disputes relating to value-added tax, family-related matters and matters that are not capable of settlement, all of which are deemed non-arbitrable³. This reflects the Saudi courts’ general approach of respecting arbitration agreements and declining jurisdiction where a valid arbitration agreement exists, subject to expressly defined exceptions.
- **Court intervention:** The Report confirms a consistent approach by the Saudi courts whereby judicial intervention is limited to the circumstances expressly provided for under the Saudi Arbitration Law.⁴
- **Judicial oversight:** The Report concludes that the courts’ role is confined to determining whether one of the grounds set out in Article 50 of the Saudi Arbitration Law is satisfied and does not extend to re-examining the merits of the underlying dispute, reconsidering the arbitral tribunal’s interpretation of the applicable substantive law, or re-assessing the evidence.⁵
- **Electronic notification:** The Report shows that Saudi courts have adopted a progressive approach to the recognition of electronic means of communication in arbitral proceedings. For instance, the

² SCCA Country Report, page 13.

³ SCCA Country Report, page 10. See also Saudi Arbitration Law, Article 2.

⁴ SCCA Country Report, pages 48-49.

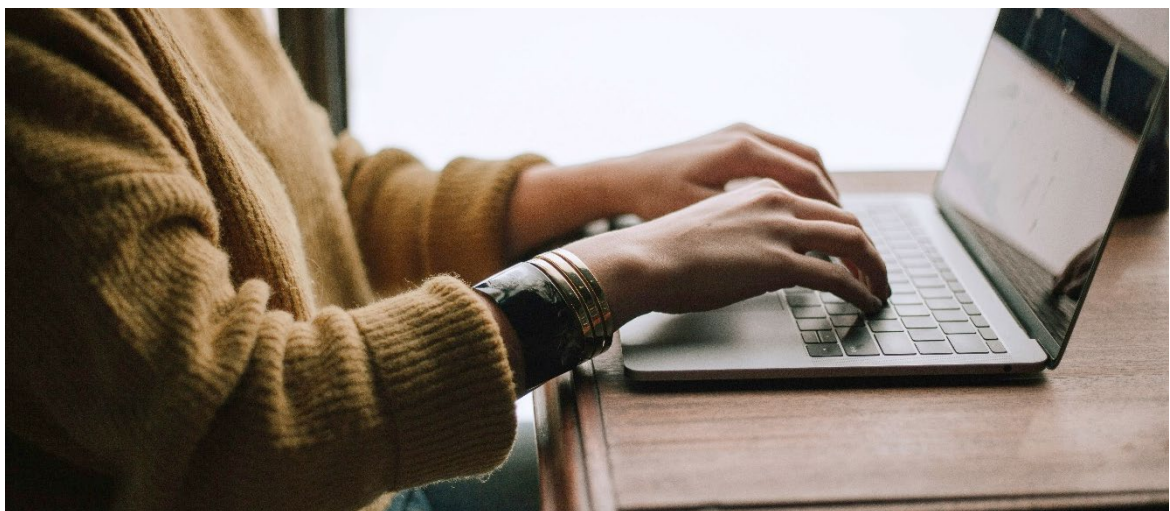
⁵ SCCA Country Report, pages 12 and 85.



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Report refers to a decision rendered by the Makkah Court of Appeal, which upheld the tribunal's reliance on the parties' agreed means of communication as a valid method of service and held that proof of delivery to the designated electronic address was sufficient to establish valid service.⁶ This approach is consistent with Article 8 of the Draft Arbitration Law, which expressly recognises the validity of electronic service, mobile, and email notifications. In particular, Article 8 broadens the means of deemed service where delivery is not possible after reasonable enquiries, allowing notice by electronic means to the recipient's mobile phone or email address, in addition to registered mail. This has developed from the previous position under Article 6 of the current Saudi Arbitration Law, which limits deemed service to notice sent by registered mail to the addressee's last-known place of business, habitual residence, or known mailing address.

However, parties should ensure that notices are sent to the authorised and expressly designated email addresses and mobile numbers. In one case, a Saudi court annulled an award where service had been affected through a WhatsApp number that was not the party's officially registered number. The court considered that the addressee was deprived of the opportunity to present its defence.⁷



- **Extension of arbitration agreements to related contracts:** Saudi courts recognise limited forms of implicit consent. While courts have extended arbitration agreements in certain circumstances, such extension remains the exception *"to avoid undermining the consensual foundation of arbitration"*.⁸ Saudi courts generally require clear and express consent before extending an arbitration agreement to disputes arising under other contracts.⁹

⁶ SCCA Country Report, page 45.

⁷ SCCA Country Report, page 46.

⁸ SCCA Country Report, page 53.

⁹ SCCA Country Report, page 54.



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- **Composition of arbitral tribunals, appointment, challenge of arbitrators:** The Report shows that the Saudi courts demonstrate a strict application of the statutory requirements and qualifications for arbitrators.¹⁰ These qualifications are currently set out in Article 14 of the Saudi Arbitration Law, which requires that arbitrators possess full legal capacity, be of good reputation and conduct, and hold at least a university degree in Sharia or law. In an interesting development, the Draft Arbitration Law abolishes the requirement for a sole arbitrator to have a university degree in Sharia law (or, in the case of a three-member tribunal, for the chairman to have such a qualification). This new approach is consistent with the position in neighboring jurisdictions and reflects wider arbitration practices.
- **Competence-competence:** The Report highlights that Saudi courts consistently affirm arbitral tribunals' primary competence to rule on their own jurisdiction,¹¹ thereby recognising the well-established principle of competence-competence in international arbitration.
- **Separability of arbitration clauses:** Saudi courts similarly recognise another well-established principle of international arbitration: the separability of the arbitration agreement. In this respect, Saudi courts have consistently held that an arbitration clause constitutes an independent agreement that survives the invalidity or termination of the underlying contract.¹²

b. Preserving Finality: A Restrictive Approach to Annulment

In addition to the above, the Report places particular emphasis on the annulment and enforcement of arbitral awards in the Kingdom. The extent to which arbitral awards may be annulled remains a key consideration for foreign stakeholders, particularly where the grounds for annulment concern Sharia principles and public policy.

Notably, the Report records that, during the period covered by the study, 194 annulment applications were filed, of which 174 were rejected, amounting to a rejection rate of 89.7 percent. These numbers show that the Saudi courts applied the annulment grounds stipulated in Article 50 of the Saudi Arbitration Law in a narrow manner. The Report further demonstrates that reliance on Sharia and public policy as grounds for annulment remains limited. According to the Report, out of 3,300 judicial decisions issued between 2017 and 2025, only 565 involved annulment motions, and of these only 13 resulted in annulment on the basis of a violation of Sharia or public policy (2.3%). This further illustrates the arbitration-friendly approach adopted in the Kingdom.

The cases in which Saudi courts annulled awards on public policy grounds concerned mandatory rules relating to statutes of limitation and real estate registration. Only one instance of partial annulment on the basis of Sharia was recorded (0.5%), and even in that case, the court also relied on public policy

¹⁰ SCCA Country Report, pages 62-63.

¹¹ SCCA Country Report, pages 70-71.

¹² SCCA Country Report, pages 71-72.



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and other grounds rather than Sharia alone. In that decision¹³, while the court referred to Sharia and public policy as grounds for annulment, its reasoning was primarily based on Article 50(1)(f), as the orders contained in the award addressed a matter falling outside the scope of the arbitration agreement.

Overall, the case law analysis demonstrates continued judicial support for arbitration and reflects the Kingdom's alignment with international arbitration standards. Judicial intervention in arbitral awards remains limited, while the principle of finality is upheld. These decisions further reinforce the Kingdom's standing as an arbitration-friendly jurisdiction.

2- THE KINGDOM'S ARBITRATION LEGAL FRAMEWORK: ALIGNMENT WITH INTERNATIONAL ARBITRATION STANDARDS

The Report also dedicates a section to a comparative analysis between the Saudi Arbitration Law, the Draft Arbitration Law and the Model Law. The Model Law serves as the principal international reference, with each of its provisions considered individually and compared against the corresponding provisions of the Saudi Arbitration Law and the Draft Arbitration Law.

The Report concludes that this comparison reveals a *"clear degree of structural and procedural harmonization"*, demonstrating that the Saudi Arbitration Law *"largely reflects internationally recognized arbitration standards"*¹⁴. This alignment is particularly reflected within the high degree of party autonomy seen in arbitral proceedings governed by the law of the Kingdom and the limited judicial intervention by the Saudi courts.

The Report summarises this overall direction as *"a shift from a stage of national adaptation of the Model Law toward a more advanced phase of integration and harmonization with the global arbitration framework"*¹⁵.

The Draft Arbitration Law builds on this approach by introducing further reforms aimed at bringing the Kingdom's arbitration framework into closer alignment with global arbitration practices. These include, for instance, the removal of certain qualification requirements applicable to arbitrators and the express recognition of digital notifications.

3- THE DRAFT ARBITRATION LAW: TOWARDS A MORE ARBITRATION-FRIENDLY FRAMEWORK

The Report further provides a comparative analysis of the Saudi Arbitration Law and the Draft Arbitration Law, highlighting the developments introduced under the proposed framework. BLK Partners previously provided commentary on the key changes introduced by the Draft Arbitration Law in its article [New Arbitration Law Issued for Consultation](#), which reflects the Kingdom's continued efforts to strengthen and modernise its arbitration framework. The Draft Arbitration Law is therefore

¹³ Case No. 4630279062, Riyadh General Court of Appeal, dated 7 October 2024. See SCCA Country Report, page 108.

¹⁴ SCCA Country Report, pages 13-14.

¹⁵ SCCA Country Report, page 20.



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a welcome development and reflects the Kingdom's continued efforts to further modernise its arbitration framework. Its final form, and the extent to which it will build on and enhance the current Saudi Arbitration Law, will be closely watched as the Kingdom continues to develop its position as an arbitration-friendly jurisdiction.

Taken together, the developments highlighted in the Report reflect the broader evolution of the arbitration landscape in Saudi Arabia. This evolution is taking place on several fronts, namely through the increasingly arbitration-supportive approach of the Saudi courts, the continued development of the Kingdom's legislative framework, and the growing role of the SCCA. These are all positive developments which further strengthen confidence in Saudi Arabia as a modern arbitration jurisdiction. Their full impact will become clearer over time, particularly with the promulgation of the Draft Arbitration Law and the Saudi courts' application of arbitration principles. What is clear, however, is that Saudi Arabia's arbitration framework continues to develop in a positive direction.

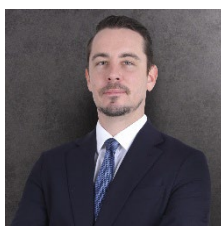
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