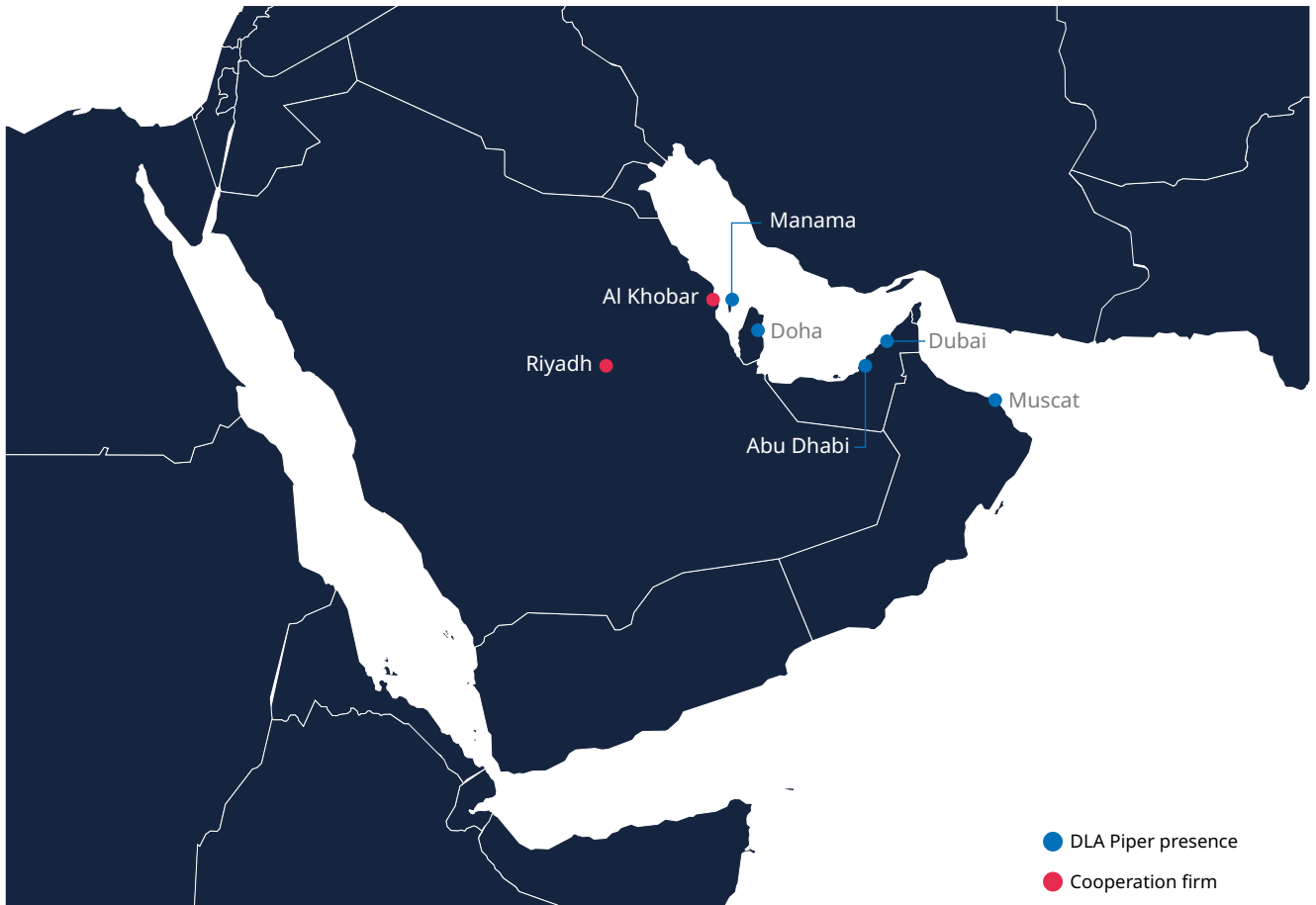




# Guide to Arbitration in the Sultanate of Oman



*DLA Piper also provides services in collaboration with the independent local law firm Al Lawati Law. Information on Al Lawati Law can be found on its website: [www.allawatilaw.com](http://www.allawatilaw.com)*

# DLA Piper Middle East

## Supporting clients with a full service legal offering for over 15 years

Our lawyers are fully versed in their local and cultural business communities.

Whether advising a global technology company on market expansion, a government procurer on an infrastructure project, or defending a real estate developer in a construction dispute, our team can help you across the full spectrum of your legal needs.

We have grown to become one of the largest international law firms in the region, and our team's experience extends to surrounding markets such as Jordan, Turkey and Lebanon, where we work with local law firms as required, in addition to Africa where we have an unrivalled presence in 20 countries through DLA Piper Africa.

Our lawyers are experienced in navigating the complex economic, cultural and social issues that affect business transactions. We can advise on economic sanctions; the nuances of employment, tax and data transfer law in the Arab world; the enforcement appetite of regulators (both foreign and local); and the regulations that govern the free zones.

## DLA Piper Middle East Disputes Practice

**With 6 Partners and over 50 other lawyers, our Litigation, Arbitration and Investigations team is one of the largest and most highly regarded dispute resolution practices in the Middle East.**

Our lawyers specialise in complex, high value, multi-jurisdictional disputes covering the full spectrum of dispute resolution matters through one seamlessly integrated team, including onshore and offshore litigation, international arbitration, investigations, regulatory and compliance.

### Our team offers:

- **Market-leading regional expertise** – We are the *only* firm ranked Tier 1 in all dispute resolution categories for international firms in **The Legal 500 2023**.

In addition, numerous members of our team have been nominated as an *'independently rated lawyer'* for **Acritas Stars** and as *'Leading Lawyers'* in **The Legal 500 Private Practice Arbitration Powerlist 2023**.

- **Protection of your corporate reputation** – If contentious or regulatory issues arise, we are here to help. We advise on the full spectrum of dispute resolution matters, including onshore and offshore litigation, international arbitration, investigations, regulatory and compliance. We can quickly assess the strengths and weaknesses of your position, reduce uncertainty and create a pragmatic strategy to minimise business disruption.

### A global leader in international arbitration

We are acknowledged as a leader in the international arbitration field, ranked in the Global Arbitration Review's GAR15 as one of the leading global practices. We bring extensive experience handling arbitrations in every major international and regional arbitration centre, including but not limited to, DIAC, ADCCAC, GCCAC, SCCA, SIAC, AAA, QICCA, ICC and LCIA – as well as ad hoc and bilateral investment treaty-based arbitrations.



# Overview of Arbitration in Oman

1. The relevant legislations governing arbitration in Oman are:
  - a. The Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("**the New York Convention**");
  - b. The GCC Convention for the Execution of Judgment, Delegations and Judicial Notification 1996 ("**the GCC Convention**"); and
  - c. Oman Sultani Decree No. 47/1997 on the Promulgation of the Law of Arbitration in Civil and Commercial Disputes ("**Decree No. 47/1997**"); and
  - d. Royal Decree No. 29/2002 Promulgating the Law of Civil and Commercial Procedure ("**Decree 29/2002**").
2. In 1996, Oman ratified the GCC Convention through Sultani Decree No. 17/1996. According to the GCC Convention, the Arbitration Awards shall be enforced by any of the member states in accordance with the procedures applicable to judgments. And each of GCC countries shall execute the final judgments issued by the courts of any member state in civil, commercial and administrative cases and personal affairs cases in accordance with the procedures as provided under the treaty, provided that the court that issued the judgment has the jurisdiction under the international jurisdiction as applicable in the member state where the judgment is required to be executed or has the jurisdiction following the provisions of the treaty.
3. Decree No. 47/1997 governs awards in which Oman is the seat or where the parties agreed that it would govern the arbitration. Decree 47/1997 was largely modelled after the UNCITRAL Model law but is distinct in several ways. For example: proceedings will be conducted in Arabic unless the parties agree otherwise; the Decree offers parties slightly broader grounds for nullifying an award relative to the New York Convention; and tribunals are, by default, required to issue an award within 12 months of the arbitration's start date unless the tribunal decides to extend that date by an additional 6 months or if the parties had agreed otherwise and the parties may request from the competent court an extension of time not more than 6 more months. This extension is granted in case the Award was not issued by the Arbitration Tribunal within the stipulated time frame.
4. In 1999, Oman ratified the New York Convention through Sultani Decree No. 36/1998. Oman is also party to other conventions such as the Riyadh Convention on Judicial Cooperation between States of the Arab League ("**Riyadh Convention**"). Unless an award's subject matter concerns a commercial agency agreement, awards rendered in a country party to the Riyadh Convention may be recognized in Oman. Nevertheless, despite Oman's comprehensive arbitration laws, Oman only opened its first arbitration center in 2018.



## Oman Commercial Arbitration Center

1. Prior to 2018, parties were required to arbitrate their disputes outside of Oman, such as in the (now abolished) DIFC-LCIA Arbitration Centre due to the lack of an arbitral institute in Oman. As such, Oman established the Oman Commercial Arbitration Center (“OCAC”) through Sultani Decree No. 26/2018. The OCAC Arbitration Rules were issued in 2020 (“OCAC Rules”) through Decision No. 8/2020. However, arbitration remained common within the country even prior to the establishment of an official arbitral institute in the form of the OCAC. Therefore, enforcing an award in Oman requires a nuanced understanding of the relevant laws.

## Enforcement of Domestic & Foreign Awards

1. The rules governing the enforcement of an award in Oman vary depending on whether the award is domestic or foreign. An award is domestic insofar as it was issued in Oman and/or the parties agreed to apply Decree 47/1997 to their arbitration. Conversely, an award is foreign where: Oman is not the seat; the award concerned an arbitrable matter under Omani law; and the award is enforceable in the country of the seat of the arbitration. Enforcement of foreign awards in Oman is governed by Decree 29/2002. In general, according to the Decree 29/2002 judgments issued in a foreign country may be enforced under the same conditions stipulated in the law of that country for the enforcement of Omani judgments, where the endorsement is carried out pursuant to a lawsuit called “a lawsuit requesting a ruling to enforce a foreign award.” The foreign award cannot be enforced within the territory of Oman without a ruling issued by the Omani courts.

2. Awards issued according to Decree 47/1997 are not subject to appeal. Awards may however be nullified within 90 days after the date on which the losing party was notified of the award. Depending on whether the parties’ contract was administrative or commercial in nature, a party would need to submit its nullification claim to either the Administrative Court’s Appeal or the Civil & Commercial Court’s Appeal.

3. The grounds based on which a lawsuit may be filed for an annulment of an arbitration award include:

- a. If there is no arbitration agreement or if this agreement is invalid, voidable, or lapses upon expiry of its term.
- b. If any of the arbitration agreement parties was, at the time of its conclusion, incapacitated in accordance with the law governing his capacity.
- c. If one of the arbitration parties is unable to submit his defense due to failure to properly announce the appointment of an arbitrator or the arbitration procedures or for any other reason beyond his control.
- d. If the arbitration award excludes the application of the law that the parties agreed to apply to the subject matter of the dispute.
- e. If the arbitration jury was formed or the arbitrators were appointed in violation of the law or without the agreement of the two parties.
- f. If the arbitration award decides on matters not covered by the arbitration agreement or exceeds the limits of this agreement. However, if it is possible to separate the parts of the ruling pertaining to the arbitration matters from the parts pertaining to matters not relevant to the arbitration, then the annulment shall only apply to the last latter parts alone.
- g. If there is an annulment in the arbitration award, or if the arbitration procedures are invalid in a way that affected the arbitration award.

4. Regardless of the court, the grounds for nullifying an award focus on a number of specific grounds, that are largely similar to the grounds for refusing to recognize an award under Article V of the New York Convention. Therefore, while Omani courts often interpret these provisions narrowly, they will likely apply consistent reasoning when refusing to enforce an award regardless of whether that award is foreign or domestic.

5. Foreign awards may only be enforced in Oman by filing a lawsuit to issue a ruling by the Omani courts to enforce the foreign award, and the enforcement ruling is not issued by the court except after the court verifies the fulfilment of following conditions:
- a. the award was final and not fraudulent, and issued by a competent judicial authority in accordance with the law;
  - b. parties to the award appeared in the proceedings and were properly represented;
  - c. the award lacks an order, remedy or relief contrary to Oman's laws;
  - d. the award does not contravene either prior Omani court decisions or Oman's public policy or morality;
  - e. the award was passed in a country/territory that recognizes awards rendered in Oman on a reciprocal basis; and
  - f. the foreign arbitration's subject matter is arbitrable in Oman.
6. In a recent decision, the Omani Supreme Court decided it had jurisdiction to determine a challenge on the validity of an ICC arbitration award governed by Qatari law and seated in England. The Supreme Court decided it had jurisdiction as the defendant in the arbitration was an Omani entity and found in favour of annulling the arbitration award rendered in London. As such, it is important for parties to recognise that the Omani Courts may be willing to seize jurisdiction to determine the validity of foreign awards in a variety of situations. Parties that may potentially seek to enforce a foreign award within Oman or parties to an arbitration that has any connection to Oman should therefore ensure that the award adheres to Omani judicial precedent.

**Andrew Mackenzie**

Partner, Head of Litigation, Arbitration and Investigations (Middle East)





# Recent legal developments

1. One of the most notable legal developments in Oman is the introduction of the OCAC. Although the OCAC is relatively new, it is comparable to the Singapore International Arbitration Center (“**SIAC**”), London Court of International Arbitration (“**LCIA**”), and the Dubai International Arbitration Center (“**DIAC**”) (collectively the “**Centers**”). These similarities are demonstrated through the Centers’ largely shared, though sometimes divergent, approach to common issues such as confidentiality, joinder, consolidation and emergency arbitration.
2. The OCAC Rules, while similar to, for example, the 2021 ICC Rules (“**ICC Rules**”), also possess distinct features. Article 48.1 OCAC Rules provides that all matters, discussions, and deliberations related to an award and an arbitral tribunal must remain confidential unless the parties agreed otherwise or it is required by the applicable law. Moreover, all parties, arbitrators and persons appointed by the OCAC cannot disclose the existence of the proceedings, and the OCAC cannot publish an award without the parties’ written consent. Conversely, the ICC publishes all awards unless one party objects. Furthermore, while parties can request the ICC to render the proceedings confidential, the ICC Rules lack a default confidentiality provision.
3. Despite the OCAC’s distinct approach to confidentiality, the OCAC Rules are generally similar to, though occasionally more restrictive than, the ICC Rules. Under the ICC Rules, parties must select the sole arbitrator within 30 days of the Respondent’s receipt of the Request for Arbitration (“**RfA**”); however, under the OCAC Rules, parties are limited to 21 days. Similarly, the Respondent must submit a Response within 30 days of receiving the RfA under the ICC Rules but only has 21 days under the OCAC Rules. Further, under the OCAC, a party must challenge an arbitrator’s appointment within 14 days after becoming aware of circumstances that give rise to justifiable doubts as to the arbitrator’s impartiality or independence. This is roughly half the time allotted to challenging parties under the ICC Rules. Thus, despite the relative similarities between the ICC and OCAC Rules, the OCAC’s relatively stringent time limits may require parties to carefully assess their capacity and resources before committing to an arbitration administered by the OCAC.
4. In addition to time limits and confidentiality, other matters common amongst different arbitration centers include joinder and consolidation. The Centers each allow a Tribunal to join one or more third parties to the proceedings (subject to certain requirements); however, while the SIAC and DIAC permit non-parties to submit joinder requests, the LCIA and OCAC only allow parties to submit joinder requests. The Centers demonstrate similar approaches to consolidation. While, for example, all the Centers require: (1) parties to agree to a consolidation in writing; and (2) that the parties’ claims arise under the same or similar arbitration agreement, the OCAC, DIAC and SIAC require parties to seek consolidation *before* any tribunal is constituted.
5. Conversely, the Centers’ rules are essentially the same regarding, for example, emergency arbitrators. All the Centers require parties to file for emergency arbitrations before a tribunal is established. Further, all Centers require emergency interim relief applications to specify: (1) the nature of the relief sought; and (2) the grounds for the relief sought. Parties seeking emergency relief must also send a copy of the application at the same time that application is being filed. However, unlike the other Centers, both the LCIA and DIAC require parties to specify the grounds for requiring the appointment of an emergency arbitrator. While these examples are not exhaustive, the lack of differences between the Centers’ rules highlight the OCAC’s mainstream approach to arbitration. This can afford parties greater comfort when choosing Oman as their seat while minimizing the risks of arbitrating in a relatively untested venue.
6. The OCAC has also demonstrated a progressive approach to other dispute resolution mechanisms such as mediation. In 2021, the OCAC developed a body of mediation rules through Decision No. 8/2021. In 2022, the OCAC signed a cooperative agreement with the British Center for Effective Dispute Resolution to, among other things, develop research and educational cooperation between one another and facilitate exchanges between professionals involved in alternative dispute resolution programs. These developments underscore Oman’s consistent strides in recent years to establish itself as a viable venue for dispute resolution.
7. While it remains unclear how effective the OCAC is as a dispute resolution body, its similarity to entities such as the ICC or DIAC makes the OCAC a welcome option for future parties.

# Key contacts

## Middle East



**Andrew Mackenzie**  
Partner, Head of Litigation,  
Arbitration & Investigations  
Middle East  
DLA Piper  
T +971 4 438 6232  
andrew.mackenzie@dlapiper.com



**Mehdi Al Lawati**  
Managing Partner  
Al Lawati Law  
M +968 9 977 1159  
mehdi.allawati@allawatilaw.com

*DLA Piper also provides services in collaboration with the independent local law firm Al Lawati Law. Information on Al Lawati Law can be found on its website: [www.allawatilaw.com](http://www.allawatilaw.com)*



## Further information

Scan for more information on our 2024 Middle East Disputes & Regulatory Client Conference. Global crossroads: Navigating risks and opportunities in the intersection of Asian and African trade routes.



Scan for further guides to arbitration in the Middle East.



*The English translation of Royal Decree No. 47 of 1997 is provided by DLA Piper Middle East LLP. Neither We nor our affiliates guarantee the accuracy of or endorse the views or opinions given by any third party content provider, advertiser, sponsor or other user. Neither We nor our affiliates shall be liable for any errors or inaccuracies in the translation or any Content, or for any actions taken by you in reliance thereon. You expressly agree that your use of the translation and the Content is at your sole risk.*

## Royal Decree No. 47 of 1997 Promulgating the Law of Arbitration in Civil and Commercial Disputes

28 June 1997

**(As amended by Royal Decree No. 3 of 2007)**

**We, Qaboos Bin Sa'id,  
Sultan of Oman,**

Having considered:

- the Basic Statute of the State promulgated by Royal Decree No. 101/96,
- Royal Decree 79/81 Establishing the Commercial Court as amended,
- the Rules for the Hearing of Actions at Law and Requests for Arbitration before the Commercial Court promulgated by Royal Decree No. 32/84 as amended, and
- the Law of Commerce promulgated by Royal Decree No. 55/90 as amended, and
- in accordance with the public interest requirements,

**Have decreed as follows**

### **Article 1**

The annexed Law of Arbitration in Civil and Commercial Disputes shall come into effect.

### **Article 2**

The Minister of Justice, Awqaf and Islamic Affairs shall promulgate the decisions necessary for the implementation of the provisions of this Law.

### **Article 3**

Any provision contrary to the provisions of this Law shall be repealed.

### **Article 4**

This decree shall be published in the Official Gazette and shall come into force as of the date of its publication.

**Promulgated on 22 Safar 1418H corresponding to  
28 June 1997**

**Qaboos Bin Sa'id  
Sultan of Oman**

This Decree was published in the Official Gazette – Issue No. 602 – dated 01/07/1997.

# The law of arbitration in civil and commercial disputes

## Chapter one – General

### Article 1

Without prejudice to the provisions of the international conventions in force in the Sultanate, the provisions of this Law shall apply to any Arbitration between parties being persons of public or private law, regardless of the nature of the legal relationship over which the dispute revolves, where such Arbitration is conducted in the Sultanate, or is an international commercial Arbitration being conducted abroad which the parties thereto have agreed that such Arbitration shall be governed by the provisions of this Law.

### Article 2

In the application of the provisions of this Law, an Arbitration shall be considered to be commercial if the dispute arises out or in respect of a legal relationship of an economic nature, whether contractual or non-contractual. This shall include but not limited to supply of goods or services or commercial agencies, construction contracts, contracts related to engineering or technical expertise, grant of industrial, tourism and other licences, transfer of technology and investment, development contracts, banking, insurance and transportation operations, natural resources exploration and extraction operations, power supply, gas or oil pipelaying, building of roads and tunnels, agricultural land reclamation, environment protection, and nuclear reactor construction.

### Article 3

In the application of the provisions of this Law, an Arbitration is international if its subject-matter is a dispute involving international trade in the following cases:

**First:** If the parties to an Arbitration agreement have, at the time of the conclusion of the Arbitration agreement, their principal place of business in different States. If either party has more than one place of business, its place of business shall be the place of business that has the closest relevance to the subject-matter of the Arbitration agreement. If either party has no place of business, reference is to be made to his place of habitual residence.

**Second:** If the parties to the Arbitration agree to have resort to a permanent Arbitration institution or to an Arbitration center having its seat within the Sultanate of Oman or abroad.

**Third:** If the subject-matter of the dispute covered by the Arbitration agreement is associated with more than one State.

**Fourth:** If the principal place of business of each of the parties to the Arbitration is situated in the same State at the time of the making of the Arbitration agreement, and one of the following places is situated outside such State:

- the place of Arbitration determined pursuant to the Arbitration agreement or the method of designating the same is stipulated therein;
- any place where a substantial part of the obligations arising out of the commercial relationship between the two Parties to the Arbitration is to be performed;
- the place with which the subject-matter of the dispute is closely connected.

### Article 4 (as amended by Royal Decree No. 3/2007 )

- For the purpose of this Law, “**Arbitration**” means any arbitration agreed upon by the two parties to the dispute of their free will, whether or not the institution administering the Arbitration, under the parties’ agreement, is a permanent arbitral institution or center.
- “**Arbitral Tribunal**” means the tribunal composed of one or more arbitrators for determining the dispute referred to Arbitration while “**Court**” means the competent First Instance Court or the competent Court of Appeal, as the case may be.
- “**the two Parties to the Arbitration**” in this Law means the parties to an Arbitration agreement, even if in case of multiple parties.

## Article 5

Where a provision of this Law leaves the two Parties to the Arbitration free to choose a procedure to be followed in relation to any given matter, each of them shall have the freedom to authorize a third party to make the choice of such procedure, and in this regard any arbitral institution or center within the Sultanate of Oman or abroad shall be deemed to be a third party.

## Article 6

- The two Parties to the Arbitration shall have the freedom to make a choice of the law which the arbitrators are required to apply to the subject-matter of the dispute.
- If the two Parties to the Arbitration agree to make the legal relationship between them subject to the provisions of a model contract, international convention or any other document, the provisions of such text, including any provisions relating to Arbitration included therein, shall prevail.

## Article 7

- Unless otherwise agreed by the two Parties to the Arbitration, any communication or notification shall be delivered to the addressee personally, at his place of business, habitual residence, or mailing address known to the two parties or designated in the Arbitration agreement or in the document regulating the relationship underlying the Arbitration.
- If none of these addresses can be found after making a reasonable inquiry, delivery shall be deemed to have been made if such notification is sent to the addressee's last-known place of business, habitual residence or mailing address by registered letter.
- The provisions of this Article do not apply to service of process in courts.

## Article 8

A party to the dispute 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 non-compliance by the date agreed upon or if no such date is agreed upon, within 60 days from the date on which such party became aware of such non-compliance, shall be deemed to have waived his right to object.

## Article 9 (as amended by Royal Decree No. 3/2007)

The court having the jurisdiction over the dispute in accordance with the Judicial Authority Law referred to shall have the jurisdiction to adjudicate upon

arbitral matters referred by this Law to the Omani judiciary. However, if the Arbitration is an international commercial one, whether taking place in Oman or abroad, the Court of Appeal in Muscat shall have the jurisdiction.

## Chapter two – arbitration agreement

### Article 10

- An Arbitration agreement is an agreement by the two parties thereto to resort to Arbitration in order to settle all or certain disputes which have arisen or may arise between them in respect of a defined legal relationship, whether contractual or not.
- An Arbitration may be in the form of an Arbitration clause in a given contract prior to the arising of the dispute, or in the form of a separate agreement made after the dispute has arisen, even if an action has already been brought in relation thereto before a judicial forum, and in such case the agreement shall specify the matters to be covered by the Arbitration, failing which the agreement shall be a nullity.
- Any reference in a contract to any document containing an Arbitration clause shall constitute an Arbitration agreement if that reference is clear to make such clause part of the contract.

### Article 11

An Arbitration Agreement shall be valid only if concluded by a natural or juristic person having the capacity to dispose of his rights, and Arbitration shall not be permissible for matters where conciliation is not permissible.

### Article 12

An Arbitration agreement must be in writing, failing which it shall be a nullity. An Arbitration agreement shall be in writing if it is contained in a document signed by the two parties, or if it is contained in an exchange of letters, telegrams, or other written means of communication.

### Article 13

- A court before which an action is brought in respect of a dispute which is the subject of an Arbitration agreement shall, if the defendant so requests prior to submitting any relief or defense in such action, decide not to hear the action.
- Where an action referred to in the preceding paragraph has been brought, the commencement or continuation of arbitral proceedings, or the issuance of arbitral award shall not be barred.



## Article 14

The court provided for in Article 9 of this Law may, upon a request by either of the two Parties to the Arbitration, make an interim or precautionary measures, whether before or during the arbitral proceedings.

## Chapter three – arbitral tribunal

### Article 15

- The Arbitral Tribunal shall be composed, by agreement of the two parties, of one or more arbitrators, and, if they do not agree upon the number of arbitrators, the number of arbitrators shall be three.
- In case of several arbitrators, their number shall be odd, otherwise the Arbitration shall be null and void.

### Article 16

- An arbitrator may not be a minor or a person under judicial interdiction or deprived of his civil rights by reason of having been convicted of felony or misdemeanor involving a violation of honour or trust, or by reason of having been declared bankrupt unless he has been rehabilitated.
- An arbitrator shall not be required to be of any given gender or nationality, unless otherwise agreed by the two Parties to the Arbitration, or provided for by the law.
- An arbitrator's acceptance to undertake his mandate shall be in writing. Upon his acceptance, he shall disclose any circumstances likely to give rise doubts as to his independence or impartiality. If any such circumstances come into existence following his appointment or throughout the Arbitration proceedings, he shall of his own accord disclose the same to the two Parties to the Arbitration and other arbitrators.

### Article 17

- The two Parties to the Arbitration shall be at liberty to agree upon the selection of arbitrators, and the manner and time of such selection. In the absence of such agreement, the following procedure shall apply.
  - If the Arbitral Tribunal is composed of a sole arbitrator, the President of the Commercial Court shall, upon application by either of the two parties, select the sole arbitrator.
  - If the Arbitral Tribunal is composed of three arbitrators, each party shall select one arbitrator, then the two arbitrators shall agree upon the

selection of the third arbitrator. If either of the two parties fails to appoint his arbitrator within thirty days following his receipt of a request to do so from the other party, or if the two arbitrators so appointed are unable to agree upon the selection of the third arbitrator within thirty days following the date of the appointment of the second arbitrator, the third arbitrator shall, upon application by either of the two parties, be selected by the President of the competent Court of Appeal.

The Arbitral Tribunal shall be chaired by the arbitrator selected by the two appointed arbitrators, or by the President of the Court. These provisions shall apply where the Arbitral Tribunal is composed of more than three arbitrators.

- If either of the two parties breaches the arbitrator selection procedures, which they have agreed upon, or if they are unable to agree upon the same, or if the two appointed arbitrators do not agree upon any matter requiring their agreement, or if a third party fails to perform that with which he has been entrusted in this regard, the President of the Commercial Court shall, upon application by either of the two parties, take the necessary action, unless another means for taking such necessary action is stipulated for in the [arbitration] agreement.
- When selecting an arbitrator, the President of the Court shall have due regard to the requirements set forth in this Law and those agreed upon by the two parties, and shall render his decision on an expedited basis with regard to the selection of the arbitrator. Without prejudice to the provisions of Articles 18 and 19 of this Law, such decision shall not be subject to any challenge by any means of appeal whatsoever.

### Article 18

- An arbitrator may be challenged only if circumstances exist that give rise to serious doubts as to his impartiality or independence.
- Either Party to the Arbitration may challenge the arbitrator appointed by him, or in whose appointment such party has participated, only for reasons of which he becomes aware after the appointment has been made.

## Article 19

- An application by way of challenge shall be submitted in writing to the Arbitral Tribunal setting forth the grounds for the challenge within fifteen days from the date the challenging applicant had knowledge of the composition of the Arbitral Tribunal or of the circumstances justifying the challenge. Unless the challenged arbitrator withdraws himself from the proceedings, the Arbitral Tribunal shall decide on the challenge.
- An application by way of challenge shall not be accepted if submitted by a person who has requested the challenge of the same arbitrator in the same arbitration for the same grounds.
- A challenging applicant may appeal against a ruling dismissing his application within thirty days from the date of his notification thereof to the court referred to in Article 9 of this Law, and its judgment shall be subject to no challenge by any means of appeal.
- The filing of an application by way of challenge, or the appeal against the decision of the Arbitral Tribunal to reject the challenge shall not cause the arbitral proceedings. If the arbitrator is recused by a decision from the Arbitral Tribunal or the court hearing the appeal, then the arbitral proceedings that have been already conducted, including the arbitral award, shall be deemed void ab initio.

## Article 20

If an arbitrator is unable, or fails or ceases, to perform his mandate, resulting in undue delay in the arbitral proceedings, and unless such arbitrator withdraws and unless the two parties agree on his removal, the President of the Commercial Court may, upon an application by either of the two parties, order that his mandate be terminated.

## Article 21

If an arbitrator's mandate terminates by his removal or withdrawal, by a ruling upholding his recusal, or for any other reason, a substitute arbitrator shall be appointed pursuant to the procedures that were followed for the appointment of the arbitrator whose mandate has terminated.

## Article 22

- The Arbitral Tribunal shall rule on any plea that the Arbitral Tribunal does not have jurisdiction, including challenges with respect to the non-existence, forfeiture or nullity of Arbitration agreement or that it does not cover the subject-matter of the dispute.

- Such pleas shall be raised by no later than the time limit specified for submission of the respondent's defense referred to in the second paragraph of Article 30 of this Law. The appointment, or participation in the appointment, of an arbitrator by either of the two Parties to the Arbitration shall not constitute a waiver by such party of his right to raise any such plea. A plea that the Arbitration Agreement does not cover the matters raised by the other party during the consideration of the dispute shall be raised immediately, otherwise the right to raise such plea shall be forfeited. The Arbitral Tribunal may, in all cases, admit a late plea if it considers the delay to be justified.
- The Arbitral Tribunal shall decide on the pleas referred to in paragraph (1) of this Article prior to determining the substantive issues, and it may consolidate such pleas with the substantive issues and decide on them together. If the Arbitral Tribunal rejected the plea, then its decision may only be appealed by filing an action for annulment of the arbitral award resolving the entire dispute pursuant to Article 53 of this Law.

## Article 23

An Arbitration clause shall be deemed an agreement independent of the other terms of the contract. The nullity, rescission, or termination of the contract shall have no effect on the Arbitration clause incorporated in it if such clause is valid by itself.

## Article 24

- The two Parties to the Arbitration may agree that the Arbitral Tribunal may, upon application by either party, order a party to take interim or precautionary measures necessitated by the nature of the dispute, as it deems appropriate, and require the furnishing of adequate security to cover the costs of the measure to be taken.
- If a party in respect of whom an order is made fails to comply with it, the Arbitral Tribunal may, upon application of the other party, grant leave to that party to take the procedures necessary to enforce the same, this being without prejudice to the right of such party to apply to the President of the Commercial Court for an enforcement order.

## Chapter four – arbitration proceedings

### Article 25

The two Parties to the Arbitration may agree upon the procedure to be followed by the Arbitral Tribunal, including subjecting such procedure subject to the applicable rules of any arbitration organization or center in the Sultanate of Oman or abroad. In the absence of such agreement, the Arbitral Tribunal may conduct the arbitration proceedings in such manner as it may deem appropriate, subject to the provisions of this Law.

### Article 26

The two Parties to the Arbitration shall be treated with equality, and each of the two parties shall be given an equal and full opportunity to present his case.

### Article 27

The arbitral proceedings shall commence on the date on which the respondent receives the request for arbitration from the claimant, unless the two parties agree upon a different date.

### Article 28

The two Parties to the Arbitration may agree that the place of Arbitration shall be inside or outside the Sultanate of Oman. In the absence of such agreement, the Arbitral Tribunal shall appoint the place of Arbitration, having regard to the circumstances of the case and convenience of the parties.

This shall not prejudice the power of the Arbitral Tribunal to convene in any place it deems appropriate to undertake any arbitral procedure, including hearing of the parties to the dispute, witnesses or experts, the inspection of documents, merchandise, or property, the conduct of deliberations among its members, or otherwise.

### Article 29

- The Arbitration shall be conducted in Arabic, unless the two parties agree or the Arbitral Tribunal determines another language(s). The language so agreed or determined shall apply to the language of any written statements, pleadings, oral pleadings, or any order, communication, award issued by Arbitral Tribunal, unless otherwise agreed by the parties or decided by the Arbitral Tribunal.

- The Arbitral Tribunal may order that all or part of the written documentation submitted in the case be accompanied by a translation into the language or languages used in the Arbitration. In the event of there being a number of such languages, the Arbitral Tribunal may restrict the translation to certain of them.

### Article 30

- Within the period of time agreed by the two parties, or determined by the Arbitral Tribunal, the claimant shall send to the respondent and to each of the arbitrators a written statement of his claim, which shall include his name and address, the name and address of the respondent, an explanation of the facts of the claim, account of the points at issue, the relief sought, and any other matter required by the agreement of the two parties to be mentioned in the statement.
- Within the period of time agreed by the two parties, or determined by the Arbitral Tribunal, the respondent shall send to the claimant and to each of the arbitrators a written statement of defense in response to the statement of claim, and may include in such statement any incidental claim in connection with the subject-matter of the dispute, or maintain a right arising therefrom, with the intention of claiming a set-off, and may do so at any subsequent stage of the proceedings if the Arbitral Tribunal considers that the circumstances justify the delay.
- Either party may submit with the statement of claim or statement of defence, as the case may be, copies of any supporting documents, and may add a reference to the documents or other evidence they will submit, without prejudice to the right of the Arbitral Tribunal, at any stage of the proceedings, to require the production of the original documents or instruments which either party to the proceedings relies upon.

### Article 31

A copy of any statement, document or other exhibits submitted by one party to the Arbitral Tribunal shall be communicated to the other party. A copy of any experts' reports, documents, and other evidence submitted to the Arbitral Tribunal shall be communicated to both parties.

### Article 32

Each of the two Parties to the Arbitration may amend or supplement his claim or defense during the arbitral proceedings, unless the Arbitral Tribunal considers it inappropriate to allow the same, with a view to prevent any delay in the determination of the dispute.

### Article 33

- The Arbitral Tribunal shall hold oral hearings to enable each of the two parties to explain the subject-matter of the claim and present his arguments and evidence. The Arbitral Tribunal may decide that presentation of written submissions and documentation should be sufficient, unless the two parties otherwise agree.
- The two Parties to the Arbitration shall be given sufficient advance notice of any hearings and meetings which the Arbitral Tribunal decides to hold, as the Arbitral Tribunal determines in the circumstances for such notice to be sufficient.
- A brief of the facts of each hearing held by the Arbitral Tribunal shall be recorded in the minutes and a copy of which shall be delivered to each of the two parties, unless otherwise agreed by them.
- Witnesses and experts shall be heard without taking the oath.

### Article 34

- If the claimant fails, without acceptable cause, to submit a written statement of claim in accordance with the first paragraph of Article 30 of this Law, the Arbitral Tribunal shall order that the arbitral proceedings be terminated, unless otherwise agreed by the two parties.
- If the respondent fails, without acceptable cause, to submit a statement of defense in accordance with the second paragraph of Article 30 of this Law, the Arbitral Tribunal shall continue with the arbitral proceedings, without treating such failure in itself as an admission by the respondent of the claimant's claim, unless otherwise agreed by the parties.

### Article 35

If either party fails to appear at any hearing, or to submit any document requested of him, the Arbitral Tribunal may continue with the arbitral proceedings and render an award on the evidence before it.

### Article 36

- The Arbitral Tribunal may appoint one or more experts to submit a written or oral report to be recorded in the minutes of the hearing, in relation to specific issues designated by the Arbitral Tribunal. Each of the two parties shall be sent a copy of its decision outlining the mandate assigned to the expert.

- Each of the two parties shall provide the expert with any information related to the dispute, and shall allow him to inspect and examine any documents, goods, or other property related to the dispute as the expert requires. The Arbitral Tribunal shall decide on any disagreement arising between any of the two parties and the expert in this respect.
- The Arbitral Tribunal shall send to each of the two parties a copy of the expert's report immediately after its delivery, and give them the opportunity to express their views on such report. Each party shall have the right to access and examine the documents on which the expert has relied in making his report.
- After the delivery of the expert's report, the Arbitral Tribunal may, of its own motion or upon application by either of the two Parties to the Arbitration, decide to hold a hearing to hear the expert's statements, and give the two parties the opportunity to hear him and discuss with him the content of his report. Each of the two parties shall be at liberty to produce at this hearing one or more experts from his own side in order to express a view upon the issues addressed in the report of the expert appointed by the Arbitral Tribunal, unless the two Parties to the Arbitration agree otherwise.

### Article 37

The President of the Commercial Court shall, upon application by the Arbitral Tribunal, have the jurisdiction to:

- fine any witness who fails to appear or refuses to answer not less than five riyals and not more than twenty riyals, by unappealable decision possessing such force in relation to enforcement as judgments possess.
- order the issuance of a letter rogatory.

### Article 38

Proceedings before the Arbitral Tribunal shall be suspended in such cases and according to such terms prescribed at law.



## Chapter five – arbitral award and termination of proceedings

### Article 39

- The Arbitral Tribunal shall apply the rules which the two parties agree upon to the substance of the dispute. If they agree upon the application of the law of a given State, the substantive rules thereof shall be followed, and not the rules as to conflict of laws, unless otherwise agreed.
- If the two parties have not agreed on the rules of law applicable to the substance of the dispute, the Arbitral Tribunal shall apply the substantive rules of the law which it considers most relevant to the dispute.
- When deciding on the substance of the dispute, the Arbitral Tribunal shall observe the terms of the contract in dispute, and the existing customs and usage.
- The Arbitral Tribunal may, if the two Parties to the Arbitration have expressly agreed to authorize it to act as amiable compositeur, decide on the substance of the dispute in accordance with the rules of justice and equity, without being bound by the provisions of the law.

### Article 40

Any decision of the Arbitral Tribunal composed of more than one arbitrator shall, unless otherwise agreed by the two Parties to the Arbitration, be rendered by a majority of the opinions following deliberation in such manner as determined by the Arbitral Tribunal.

### Article 41

If, during the arbitral proceedings, the two parties agree upon a settlement, terminating the dispute, they may request that the terms of the settlement be recorded by the Arbitral Tribunal, which shall, in such event, render a decision incorporating the terms of the settlement and terminating the proceedings. Such decision shall be as enforceable as the arbitrators' awards.

### Article 42

The Arbitral Tribunal may issue provisional awards or partial awards in respect of certain claims, prior to the issuance of the award resolving the entire dispute.

### Article 43

- An arbitral award shall be rendered in writing and signed by the arbitrators. In the event that the Arbitral Tribunal is composed of more than one arbitrator, the signatures of the majority of all arbitrators shall suffice, provided that the reason for the minority's omitted signature must be noted in the award.

- An arbitral award shall state the reasons, unless the two Parties to the Arbitration have agreed otherwise, or the law to be applied to the arbitral procedure does not require the reasons for the award to be stated.
- The arbitral award shall include the names and addresses of the parties, the names and addresses of the arbitrators, their nationalities and capacities, the text of the Arbitration agreement, a summary of the relief sought by the parties and their submissions and documents, the operative part of the award, the date and place of its issuance, and the reasons, if required to be mentioned.

### Article 44

- The Arbitral Tribunal shall deliver to each of the two parties a copy of the arbitral award signed by the arbitrators approving the same within thirty days from the date of its issuance.
- The arbitral award or parts thereof may not be published save with the consent of the two Parties to the Arbitration.

### Article 45

- The Arbitral Tribunal shall give the award resolving the entire dispute, within the time limit agreed by the two parties. In the absence of such agreement, the award shall be rendered within twelve months from the date of commencement of the arbitral proceedings. In all events the Arbitral Tribunal may decide to extend the time limit, but such extension shall not exceed six months, unless a longer extension is agreed by the two parties.
- If the arbitral award is not rendered within the period referred to in the preceding paragraph, either of the two Parties to the Arbitration may apply to the President of the Commercial Court for an order setting an additional period or terminating the arbitral proceedings, whereupon the two parties shall be entitled to bring his case before the court having the original jurisdiction to adjudicate the case.

### Article 46

If, throughout the arbitration proceedings, any matter falling outside the scope of the jurisdiction of the Arbitral Tribunal is raised, or if a claim of forgery is raised against a document produced, or if criminal proceedings have been initiated involving forgery claim or on any other criminal act, the Arbitral Tribunal may continue with the consideration of the subject-matter of the dispute if the resolution of such matter, document forgery claim or other criminal act is not necessary to adjudicate the subject-matter of the dispute, otherwise it shall suspend the proceedings pending a final

decision in this regard. This shall in return result in the suspension of the effective time limit determined for the issuance of the arbitral award.

### Article 47

A person in whose favour an arbitral award is issued shall deposit with the registry of the court referred to in Article 9 of this Law the original or signed copy of the award in the language of issue, or a translation in the Arabic language certified by an accredited entity if it was in a foreign language.

The registrar of the court shall prepare a report of such deposit, and each of the two Parties to the Arbitration may request a copy thereof.

### Article 48

- The arbitral proceedings are terminated by the award resolving the entire dispute, or by an order terminating the arbitral proceedings in accordance with the second paragraph of Article 45 of this Law. The arbitral proceedings are also terminated by a decision of the Arbitral Tribunal terminating the proceedings when:
  - the two parties agree on the termination of the arbitration;
  - the claimant withdraws from arbitration, unless the Arbitral Tribunal, at the request of the respondent, recognizes a serious interest in continuing the proceedings until the dispute is settled;
  - the Arbitral Tribunal finds that the continuation of the arbitration has become unnecessary or impossible for any other reason.
- Without prejudice to the provisions of Articles 49, 50 and 51 of this Law, the mandate of the Arbitral Tribunal shall terminate upon the termination of the arbitral proceedings.

### Article 49

- Each of the two Parties to the Arbitration may apply to the Arbitral Tribunal within the thirty days following his receipt of the arbitral award for interpretation of any ambiguity in the operative part of the award. An applicant for interpretation shall give notice to the other party of such application before it is submitted to the Arbitral Tribunal.
- The interpretation shall be provided in writing within the thirty days following the date of submitting the application for interpretation to the Arbitral Tribunal. The Arbitral Tribunal may extend such period by another thirty days if it considers it necessary.

- An award rendered by way of interpretation shall be considered as supplementary to the interpreted arbitral award, and shall be governed by the same applicable rules.

### Article 50

- The Arbitral Tribunal shall correct any purely material errors in its award, whether clerical errors or errors in computation, by a decision to be issued on its own initiative or upon application of one of the parties. The Arbitral Tribunal shall make such correction without oral submissions within the thirty days following the issuing date of the award or the date of the application for correction, as the case may be. The Arbitral Tribunal may extend the period by another thirty days if it considers it necessary.
- The correction decision shall be issued in writing by the Arbitral Tribunal, and shall be notified to the two parties within thirty days from the date of its issuance. If the Arbitral Tribunal acts beyond the scope of its authority to correct, the nullity of such decision may be asserted in an action for annulment, subject to the provisions of Articles 53 and 54 of this Law.

### Article 51

- Each of the two Parties to the Arbitration may, even after expiry of the Arbitration duration, apply to the Arbitral Tribunal, within the thirty days following his receipt of the arbitral award, for an additional arbitral award in respect of claims maintained in the proceedings but were omitted by the arbitral award. Such application shall be notified to the other party before it is submitted.
- The Arbitral Tribunal shall render its award within sixty days from the date of the application, and may extend such period by another thirty days if it considers it necessary.

## Chapter six – annulment of the arbitral award

### Article 52

- An arbitral award issued in accordance with the provisions of this Law may not be subject to appeal by any means of recourse prescribed by law.
- An action for annulment of an arbitral award may be filed in accordance with the provisions of the following Articles.

### Article 53

- No action for annulment of an arbitral award shall be admissible save in the following cases:
  - no Arbitration Agreement exists, or such agreement is invalid, voidable, or expired;
  - a party to the Arbitration Agreement was, at the time of its conclusion, under complete or partial incapacity according to the law governing his legal capacity;
  - a party to the arbitration was unable to present his case on the ground that he was not given a proper notice of the appointment of an arbitrator or the arbitration proceedings, or for any other reason beyond his control;
  - the arbitral award has not applied the rules of law agreed by the parties to the arbitration to be applicable to the substance of the dispute;
  - the composition of the Arbitral Tribunal or the appointment of the arbitrators was not in accordance with the law or the agreement of the two parties;
  - the arbitral award decided on matters not contemplated by the Arbitration agreement or beyond the scope of such agreement; however, if the parts of the award related to the matters subject to arbitration can be separated from those not contemplated by the same, then only the parts that are not contemplated by the Arbitration Agreement may be set aside;
  - the arbitral award is void or the arbitral proceedings are void in a manner affecting the award.
- The court hearing the action for annulment shall of its own motion annul the arbitral award if the award is contrary to the public order in the Sultanate of Oman.

### Article 54 (as amended by Royal Decree No. 3/2007 )

- An action for annulment of an arbitral award shall be filed within ninety days following the date of notification of the arbitral award to the person against whom it is rendered. The waiver by the party claiming nullity of the right to file an action for annulment before the issuance of the arbitral award shall not preclude the admissibility of the action for annulment.
- The competent Court of Appeal referred to in Article 9 of this Law shall have the jurisdiction to hear actions for annulment.

## Chapter seven – recognition and enforcement of arbitrators' awards

### Article 55

Arbitrators' awards rendered in accordance with this Law shall have the force of *res judicata*, and shall be enforced in conformity with the provisions appearing in this Law.

### Article 56

The President of the Commercial Court or the judge delegated by him, shall have jurisdiction to issue an order for enforcement of the arbitral award.

An application for enforcement of the award shall be submitted and accompanied by the following.

- The original of the award or a signed copy thereof;
- A copy of the Arbitration agreement;
- A translation into Arabic of the arbitral award certified by an accredited entity, if it is not in Arabic;
- A copy of the minutes evidencing the deposit of the award pursuant to Article 47 of this Law.

### Article 57

An action for annulment shall not stay the enforcement of the arbitral award. The court may, however, order a stay of enforcement if the claimant applies for the same in the statement of claim and the application is founded on serious grounds. The court shall rule on the application for a stay of enforcement within sixty days from the date of the first hearing for consideration of the application. If the court orders a stay of enforcement, the court may require a guarantee or security for property to be provided. If the court orders a stay of enforcement, it shall determine the action for annulment within six months from the date of making such order.

### Article 58

- Enforcement of an arbitral award shall not be admissible unless the time limit for the action for annulment of the award expired.
- The enforcement of an arbitral award may not be ordered pursuant to this Law unless after verification of the following:
  - That the arbitral award is not in conflict with a judgment previously issued by the Omani courts on the substance of the dispute.
  - That the arbitral award is not in conflict with the public order of the Sultanate of Oman.
  - That the arbitral award was duly notified to the person against whom it is rendered.
- An order to enforce an arbitral award may not be subject to any appeal; however, with regard to any order rejecting the enforcement, such order may be subject to appeal before the court referred to in Article 9 of this Law within thirty days from the date of its issuance.

