



# Legal abroad: How Saudi Arabia's revised arbitration rules will help mega-projects

By Raid Abu-Manneh, Dr Meshal Al Akeel, Gerard Moore and Andrew Sarraf | 9 January 2025

**As part of our series on the legal issues of operating abroad, we look at how the SCCA Rules 2023 will ensure a more compliant legal process, smoothing the way on Saudi's increasing mega-projects**



The [Saudi Center for Commercial Arbitration's \(SCCA\) 2023 Arbitration Rules](#) will help mitigate construction disputes in Saudi Arabia amid the country's [Vision 2030](#) announcements and the issues that contractors will face with the scale of Saudi Arabia's construction projects. These rules are compliant with global best practice, potentially boosting foreign investment by fostering trust among international contractors.

The SCCA's alignment with international arbitration standards allows for the nomination of multinational arbitrators and ensures a transparent legal process. This could lead to more arbitrations under the SCCA as construction projects increase, offering a reliable platform for resolving disputes efficiently and encouraging foreign participation in Saudi Arabia's growing market.

This article seeks to highlight how the key articles in the updated SCCA Rules 2023, developed by international and local experts, are designed to accommodate the ever-growing construction space in the kingdom and efficiently resolve the disputes that will come with it.

## **Organised and effective arbitration**

The 2023 rules allow for more efficient arbitration through article 25, which tailors the arbitration procedure to the value and complexity of the case. For example, not all arbitrations require a case management conference or extensive disclosure of documents or expert witnesses. In particular, article 25 allows for the following:

· Introducing applicable timelines to grant awards (subject to limited extensions) will assist in predicting the duration of arbitrations and the time needed to receive an award, providing greater security and stability to contractors and investors.

- Promoting the use of technology in arbitration will reduce delays in the parties putting forward submissions, especially when dealing with lengthy bundles or documents (article 25.2).
- The applicant may make an application to the arbitral tribunal for an early disposition of any claims or issues that the party considers to be a) irrelevant to the arbitration if they believe a fact of law is without merit, or b) if there is a belief that no award could be issued to the party under applicable law, or c) if any issue or fact of law would be suitable for determination by way of early disposition (article 26.1).
- The arbitral tribunal, through its procedural orders, determines the length and content of the parties' submissions and may also require that certain communications and submissions be made in electronic form (article 27), preventing lengthy back-and-forth communication between the parties.

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***The modernised SCCA rules 2023 demonstrate Saudi Arabia's intention to align its arbitral institution with global best practice in the Middle East's largest economy?***

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**A globalised approach: adopting technology in Saudi arbitration**

The SCCA's 2023 rules allow for the use of technology in its proceedings to maximise speed, promote cost control, and enable more direct communication between the parties and the arbitral tribunal. This also allows parties to attend hearings (and especially preliminary and procedural hearings), no matter where they are located, and enables parties to engage the counsel of their choice, no matter their location. Following the footsteps of major arbitral institutions, the 2023 rules endorse:

- A notice deemed to have been received via the electronic filing of documents to the extent possible (article 4.2)
- The consideration of the environmental impact of the arbitration being the driving force for engaging in a virtual process, [much like the ICC's online case management system](#) (article 25.2)
- Administrative conferences to "be held remotely by videoconference, telephone, or any other appropriate means of remote communication" prior to the constitution of the arbitral tribunal

(article 10)

- The arbitral tribunal to host a videoconference, or any other appropriate remote means of communication, to determine whether a hearing will be conducted (article 29.2)
- The electronic signing of awards (article 36).

### **Arbitration timelines**

The SCCA provides timeframes for the parties' submissions and for the arbitral tribunal to issue its awards, addressing previous criticisms that obtaining legal decisions in the kingdom was time-consuming:

- The procedural order outlines that the parties' submissions are due within 30 days of the procedural order's date (article 8.2).
- The final award shall be made within 180 days from the date the arbitral tribunal was constituted, unless a time extension has been granted by the administrator (article 10.2).
- Arbitral tribunals are required to issue their awards within 75 days from the date of closing of proceedings, which will be extended by a further 75 days if deemed necessary by the administrator (article 33).

### **Key changes in the 2023 rules**

The updated SCCA 2023 rules are modernised to reflect international best practice, including:

- The possibility of merging several contracts pertaining to a similar issue into a single arbitration (article 11).
- Revision of the threshold for joinder applications, in line with international best practice (such as the ICC rules, the DIAC rules and LCIA rules), to take into account whether the arbitral tribunal has prima facie jurisdiction over the additional party, the timing of the joinder request, possible conflicts of interest and the impact of the joinder on the application (article 12.2)
- The possibility of consolidation of two or more arbitrations where appropriate (Article 13)
- Representation by foreign lawyers, where recently the KSA Court of Appeal refused to annul an award based on the fact that the claimant was represented by a foreign lawyer (article 9.1)
- Additional grounds for arbitrators to be challenged (article 18)

- The reference to the applicable law being the governing law of the contract, as opposed to Sharia principles being referred to in the previous rules (article 27).

These provisions complement changes made to Saudi arbitration law that permit government entities to enter into arbitration agreements, allow arbitrations to be conducted in languages other than Arabic and enable multinational arbitrators from any jurisdiction to be appointed.

## Conclusion

The modernised SCCA rules 2023 demonstrate Saudi Arabia's intention to align its arbitral institution with global best practice in the [Middle East's largest economy](#). The implementation of these updated Saudi rules and regulations aims to maximise efficiency, resolve disputes fairly in line with Saudi's Vision 2030, ensure confidence in policies and make arbitration in Saudi Arabia more accessible and desirable to international parties.

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