



A full service law firm for Bahrain and the Sultanate of Oman, founded in 1995 by **Mr Ali Al Jabal**



Each month we will be putting a legal problem to consultant Ali Al Jabal to answer.

## This month - ARBITRATION

**AJ Question:** I own a chemical company in Bahrain. I have signed an Exclusive distribution agreement with another company with regard to distributing products throughout the country. The agreement contains a clause that “any controversy or claim arising out of or relating to the contract shall be settled by arbitration.” Could you please advise me on the following?

- What is arbitration?
- What are the advantages of choosing arbitration as a method of dispute resolution?
- Do I have an option for an appeal against an arbitral award if it was decided against me?

**AJ Answer:** Arbitration is a way to resolve disputes out of the courts. Arbitration can be defined as a settlement of dispute between parties

to a contract by a third party without resorting to court action.

Arbitration is generally considered as a more efficient process than litigation because it is faster and supposedly cheaper. Unlike litigation, arbitration provides greater flexibility with which parties can fashion laws, rules of the process, language, venue and procedure. Arbitrators typically have more expertise in the specific subject matter of the dispute. The hearings are private and the results are not part of the public record. In light of the above benefits of arbitration, it is becoming an attractive method to adopt as a settlement of disputes.

With reference to the third question, generally an arbitral award will be final and binding for all parties. However, you cannot appeal the arbitration award by applying to the High Civil Court to invalidate the arbitration award if;

- The arbitration agreement was invalid;
- The other party to the arbitration was incapacitated;
- You were not given proper notice of appointment of an arbitrator or the arbitral proceedings, or otherwise unable to present your case;
- Disputes contain decisions on matters that were beyond the scope of the submission to the arbitration.
- The composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement or not in accordance with the law of the land, or
- The court finds that the subject matter of the dispute is not arbitrable under the Bahraini law or the award is in conflict with the public policy of the Kingdom of Bahrain.

Correspondingly you can challenge the arbitral award under the above circumstances. 👁️

*To contact: Ali Al Jabal at  
**Al Jabal Consultancy**  
 Attorneys and Legal Consultants  
 Tel: +973 17 530 400  
 E-mail: info@aljaballaw.com  
 www.aljaballaw.com*