**Legislative Decree No. (6) of 2000**

 **Regarding the Approval of the Constitution of the Gulf Cooperation Council's Commercial Arbitration Centre[[1]](#footnote-1)**

**We, Hamad bin Isa Al Khalifa Emir of the State of Bahrain**

Having reviewed the Constitution,

Emiri Decree No. (4) of 1975,

Constitution of the Gulf Cooperation Council's Commercial Arbitration Centre,

And upon the submission of the Minister of Commerce,

And after the approval of the Council of Ministers,

**Have promulgated the following Legislative Decree:**

**Article One**

The Constitution of the Gulf Cooperation Council's Commercial Arbitration Centre, issued by a decision from the Gulf Cooperation Council's Supreme Council in its fourteenth session held in Riyadh on Rajab 9th 1414 H corresponding to December 22nd 1993, which is attached to this Law, has been approved.

**Article Two**

The Ministers, each within his jurisdiction, shall implement this Law. It shall come into effect from the date of its publication in the Official Gazette.

**Emir of the State of Bahrain**

**Hamad bin Isa Al Khalifa**

Issued at the Riffa Palace

Date: 20 Muharram 1421 H

Corresponding to: 25 April 2000

**The Constitution of the Gulf Cooperation Council's Commercial Arbitration Centre[[2]](#footnote-2)**

**Chapter One**

**Establishment of The Centre, Its Competency and Its Headquarters**

**Article (1)**

A commercial arbitration center shall be established under the name of the (Commercial Arbitration Centre for the Gulf Cooperation Council). The Centre shall be independent and shall be a separate juristic legal entity.

 **Competency**

**Article (2)**

The Centre shall be competent to settle the commercial disputes arising between nationals of the Gulf Cooperation Council (GCC) , or between GCC nationals and others, whether natural persons or legal entities , and commercial disputes arising out of implementation provisions of the GCC Unified Economic Agreement and the resolutions issued for its implementation, where parties have agreed in a written contract or a subsequently agreed on arbitration within the framework of this Centre.

**The Centre’s Headquarters**

**Article (3)**

The Centre’s headquarters shall be located in the State of Bahrain.

**Chapter Two – The Centre’s Bodies**

**Article (4)**

The Centre shall consist of the following:

1. Board of Directors
2. Secretary General
3. Arbitral Tribunal
4. Arbitral Tribunal Secretariat

**The Board of Directors**

**Article (5)**

The Centre shall have a Board of Directors, which consist of six members. The Chamber of Commerce and Industry in each of the GCC States shall nominate one member. The Board shall convene a meeting at least once every six months or whenever such a meeting is deemed necessary. The Chairmanship of the Board of Directors shall be in the rotation as per the practice followed in the GCC meetings. The Board of Directors shall appoint from its members a Deputy Chairman.

 **Article (6)**

The membership of the Board Directors shall be for a three­ year term, which is renewable once only. The meetings of the Board of Directors shall be held in the state where headquarter is located or in any of the GCC member states, if necessary, upon an invitation from the Chairman or its Deputy in the case of the Chairman’s absence. A Board meeting shall not be validly convened except in the presence of at least four of its members, including the Chairman or his Deputy. The resolutions of the Board of Directors shall be adopted by a majority vote of the members present. In case of a tie vote, the voting side of the Chairman shall prevail.

**The Functions of the Centre’s Board of Directors**

**Article (7)**

The Board of Directors shall work to achieve the Centre’s objectives and carry out its duties. In particular, the Board shall do the following:

1. Approval of the Centre’s financial and administrative regulations.
2. Appointment of the Centre’s Secretary General.
3. Approval of the Centre’s annual budget.
4. Approval the annual report of the Centre’s activities.

**The Centre’s Secretary General**

**Article (8)**

The Centre shall have a Secretary General who is a GCC national and shall be appointed by the Board of Directors. The Board of Directors shall determine his terms of service, duties and service benefits, provided that he should enjoy the professional experience and expert knowledge in such field. The Secretary General shall be the Centre’s legal representative before the courts of law, public agencies and private entities.

 **Article (9)**

The Secretary General shall be assisted by a sufficient number of employees who shall be appointed in accordance with employment provisions stipulated for in the organizational rules to be issued by the Board of Directors.

**Arbitral Tribunal**

 **Article (10)**

An Arbitral Tribunal shall be formed by appointing a single arbitrator or three arbitrators as mutually agreed upon by the parties under an Arbitration agreement or Contract. In case there is no agreement, the Rules of Procedure issued by the Board of Directors shall be applicable.

 **Article (11)**

The Centre shall maintain a Panel of arbitrators to be prepared by Chambers of Commerce and Industry in the GCC member States; the concerned parties may have access to such Panel to select arbitrators therefrom or from elsewhere.

An arbitrator shall be a legal practitioner, judge or a person enjoying wide experience and knowledge in commerce, industry or finance. He shall be reputed for his good conduct, high integrity and independent views.

**Applicable Law**

**Article (12)**

The parties shall have the liberty of deciding the law, which the arbitrators shall apply to the disputed issue. In case the parties do not stipulate the applicable law in the contract or arbitration agreement, the arbitrators shall apply the law determined by the rules of the conflict of laws which they deem appropriate whether it is the law of the place where the contract was made, the law of the place where it is to be performed, the law of the place where it shall be implemented or any other law subject to the clause of the contract and rules, and practices of international trade.

**The Centre’s Arbitration Rules**

**Article (13)**

1. Arbitration shall take place in accordance with the Arbitration Centre's rules of Procedure unless there is a contrary provision in the contract.
2. The Rules applicable to arbitration shall be the prevailing rules at the time of the commencement of Arbitration unless the parties agree the contrary.
3. Except for the arbitrators Panel, the Centre’s papers and documents shall be confidential and no one other than the parties to the arbitration case and the arbitrators may have access thereto or obtain copies thereof except by the express approval of the parties to the dispute or if the Arbitral Tribunal feels such action necessary for passing a ruling in respect of the dispute.

**Article (14)**

The two parties’ agreement to refer the dispute to the Centre’s Arbitral Tribunal and the ruling of this Tribunal in respect of its competence shall prevent the reference of the dispute or any action pursued upon hearing it before any other judicial authority in any state. It shall also prevent any challenge against the arbitration award or any of the actions required for hearing it before any other judicial authority in any state.

**Article (15)**

The award is made by the Arbitral Tribunal in accordance with such proceedings shall be final and binding on the parties and shall be enforced in the member states after the issuance of an order of enforcement by the competent judicial authority.

**Article (16)**

The Arbitral Tribunal shall refer to the Centre’s Secretary General a copy of the award is made, and he shall provide the possible assistance in depositing or registering the award whenever necessary in accordance with the law of the country where the award is to be enforced.

**The Secretariat of the Arbitral Tribunal**

**Article (17)**

The Arbitral Tribunal Secretariat shall be part of the Centre’s General Secretariat and work under the supervision of the Secretary General and shall be administratively affiliated thereto.

 **Article (18)**

The Secretariat shall have the duty of receiving all the arbitration applications referred thereto by the Secretary General and receiving all papers, correspondence and documents submitted by the parties to the dispute in accordance with the Arbitral Rules of Procedure and as provided for in this Constitution.

It shall be responsible for recording minutes of the Arbitration Tribunal hearings and implementing its resolutions adopted in the course of hearing the case prior the final judgment thereon.

**Chapter Three – The Centre’s Budget**

**Article (19)**

The Centre shall have a temporary budget from the date of its establishment until the beginning of the following first financial year. The Bahrain Chamber of Commerce and Industry shall finance the Centre’s budget until the end of the third financial year. The Chambers of Commerce and Industry in the GCC member States shall equally finance the Centre’s budgets in the following years.

**Article (20)**

The Centre shall have an annual budget, the revenues of which shall consist of the following:

1. Fees received by the Centre in consideration of its services and the expenses incurred for this purpose.
2. Grants and donations received by the Centre and accepted by its Board of Directors.
3. Proceeds from the sale of the Centre’s publications and periodicals.
4. Payments equally made by the Chambers of Commerce and Industry of the member states of this Centre.

**Chapter Four – Additional Assistance Provided by the Centre**

**Article (21)**

1. In case of authorizing the Centre to select arbitrators in accordance with Rules of Procedure, the Centre’s Secretary General shall undertake this task in accordance with the provisions of the said rules.
2. The Centre shall charge fees to be determined by the Rules of Procedure. The Centre’s administrative expenses, the volume of work and actual costs incurred shall be considered when determining the amounts of such fees.

**Article (22)**

If the two parties mutually agree on settling their dispute by arbitration but not through the Centre, the Centre’s Secretary General may, upon a written application from the parties, provide or arrange the necessary facilities and assistance for the arbitration proceeding requested by the two parties.

The necessary facilities and assistance may include providing an appropriate place for holding the Arbitral Tribunal sittings and assisting with secretarial duties, translations and filing documents and papers.

**Chapter Five – Arbitration Costs**

**Article (23)**

1. The Centre’s Secretary General shall prepare a Panel containing a provisional estimate of arbitration costs and shall instruct each of the parties of the dispute to equally deposit a certain sum as an advance for such costs. He may instruct the parties to make supplementary deposits during the course of the arbitration proceedings.
2. If the required deposits are not made within thirty days from the date of receiving the instruction, the Secretary General shall notify the remaining parties of this failure pursuant to the provisions of the Rules of Procedure.
3. Following the issuance of an award by the Arbitral Tribunal in respect of the dispute, the Secretary General shall deliver to the parties of the dispute a statement of the deposits made and expenses incurred, in order to make a final settlement by refunding the surplus amount of the deposited sums or collecting the balance remaining for the costs pursuant to the provisions of the Rules of Procedure.

**Chapter Six – Immunities and Privileges**

**Article (24)**

The Chairman, Board Members, Centre’s Secretary General, members of the Arbitral Tribunal and members of the Tribunal Secretariat shall enjoy the following immunities:

1. Immunity against any legal action upon their exercise of their job duties unless the Centre decides to relinquish such immunity by a resolution of the Board of Directors.
2. Immunities and privileges granted for members of the diplomatic corps whilst travelling. Furthermore, they shall be exempted from currency restrictions, if any.

The provisions of paragraph (b) shall not apply to the nationals of the host country

**Article (25)**

The Centre and all its properties and funds shall enjoy immunity against any legal or administrative action upon carrying out its duties in accordance with this Constitution.

 **Article (26)**

The Centre’s papers, documents and archives shall enjoy immunity against any action of any kind whatsoever.

**Chapter Seven – Tax Exemptions**

**Article (27)**

The Centre, its properties, funds, resources and financial transactions which take place in accordance with the provisions of this Constitution shall be exempt from all kinds of taxes, if any, and custom duties.

Furthermore, the Centre may not subject to any claims in this respect.

Any payment made by the Centre to the Secretary General shall not be subject to any tax that may be imposed.

Such tax shall not be imposed upon salaries, expenses or any other payments made to the Arbitral Tribunal’s Secretariat staff. This exemption shall not apply to the citizens of the host country.

The preceding provisions shall apply to the arbitrators’ fees and expenses upon the performance of their duties in accordance with the provisions of this Constitution.

**Chapter Eight – General Provisions**

**Article (28)**

The Arbitral Rules of Procedure shall be prepared by legal experts from the member states within three months from the date of approving this Constitution. The Rule shall become effective and enforceable upon their ratification by the GCC Commercial Cooperation Committee.

**Article (29)**

Any GCC member State may request the amendment of this Constitution. An amendment shall be effective three months after its ratification by the Supreme Council.

**Article (30)**

This Constitution shall come into effect three months the date of its ratification by the Supreme Council of the Gulf Co­operation Council.

**Preliminary Provisions[[3]](#footnote-3)**

**Article (1)**

In the application of the provisions of these Rules, the following terms and expressions shall have the meanings assigned to them herein unless the context otherwise requires:

|  |  |  |
| --- | --- | --- |
| **Centre** | : | The Commercial Arbitration Centre for the Gulf Cooperation Council States. |
| **Rules** | : | Arbitral Rules of Procedure for the Centre. |
| **Secretary General** | : | Centre’s Secretary General. |
| **Tribunal** | : | Arbitral Tribunal formed in accordance with the Rules. |
| **Arbitration Agreement** | : | Arbitration Agreement made by the parties in writing for reference to arbitration whether prior to the dispute (arbitration clause) or thereafter (arbitration stipulation). |
| **Panel** | : | List of the names of arbitrators at the Centre. |

**Article (2)**

1. An Arbitration Agreement made in accordance with the provisions of these Rules before the Centre shall prevent the reference of the dispute before any other authority and prevent any challenge to award has been made by the Arbitral Tribunal.
2. In case of reference to arbitration, it is proposed that the following text be included in the Arbitration Agreement:

“If a dispute arises between the two (or more) parties over the interpretation or application of this Agreement (contract), the dispute shall be referred to an Arbitral Tribunal in accordance with the rules and procedures provided for in the Constitution of the Commercial Arbitration Centre for the Gulf Cooperation Council. “

**Article (3)**

All agreements and stipulations referred to arbitration before the Centre shall be presumed valid unless evidence is provided establishing the invalidity thereof.

**Article (4)**

The arbitration before the Centre shall be conducted pursuant to these Rules unless there is a provision to the contrary in the Arbitration Agreement. The parties may select further procedural rules for arbitration before the Centre, provided that such rules shall not affect the powers of the Centre or Arbitral Tribunal provided for in these Rules.

**Article (5)**

The Centre’s Tribunal shall ensure all rights of defense for all parties to the dispute and shall treat them on an equal basis. The Tribunal shall ensure each party in the proceedings has the full opportunity to present his case.

**Article (6)**

Arbitration proceedings shall be conducted by the State of Bahrain unless the parties agree that they shall be conducted in another State approved by the Tribunal upon consultation with the Secretary General. An award is rendered by the arbitrators at the venue where the Arbitration has been conducted.

**Article (7)**

Arbitration shall be conducted in the Arabic language. The Tribunal may decide to hear the statements of the parties, witnesses and experts who do not speak Arabic by seeking the assistance of an accredited interpreter after he takes the oath before the Tribunal. Furthermore, the Tribunal may authorize the presentation of memoranda and statements and submission of pleadings in a foreign language provided that they shall be accompanied by an Arabic translation. In all cases, the award shall be rendered in Arabic.

**Arbitral Tribunal**

**Article (8)**

The Arbitral Tribunal shall be composed of a single arbitrator, or three arbitrators as mutually agreed upon between the parties. In case there is no agreement, the Tribunal shall be formed by three arbitrators.

**Submission of Applications and Reference to Arbitral Tribunal**

**Article (9)**

An applicant for arbitration shall submit a written application to the Secretary General containing the following:

1. His name, surname, capacity, nationality and address.
2. Name of the other party against whom arbitration reference is made, his surname, capacity, nationality and address.
3. Statement of the dispute, its facts, evidence thereof, and specified claims.
4. Name of the elected arbitrator, if any.
5. A copy of the Arbitration Agreement and all the documents relating to the dispute.

The Secretary General shall ensure that all the necessary documents are available for pursuing the arbitration proceedings. In case the required documents are not complete, the concerned party shall be given notice to produce them.

**Article (10)**

Upon receipt of the arbitration application and payment of fees, the Secretary General shall notify the applicant, acknowledging receipt of his application, and shall notify the other party against whom arbitration reference is made by registered letter, with a copy thereof within seven days from the date of receiving such application.

**Article (11)**

The party against whom arbitration is sought shall submit, within twenty days from the date of being notified of the application, a reply memorandum containing his defense pleas, counter claims, if any, and the name of his elected arbitrator supported by the documents available to him. The Secretary General may give him, upon his request, a grace period not exceeding twenty days for this purpose.

**Article (12)**

1. If the Arbitral Tribunal consists of a single arbitrator, the parties shall agree on his appointment within the period fixed in the preceding Article, otherwise the Secretary General shall appoint an arbitrator from the Centre's Arbitrator's Panel within one week from the expiry of such period. The Secretary General shall notify all parties of such appointment within one week from the date thereof.
2. If the applicant for arbitration fails to nominate the arbitrator he wishes to elect in his application, the Secretary General shall appoint the arbitrator within one week from the date of receiving the application.
3. If the party against whom arbitration is sought, fails to nominate the arbitrator of his choice during the period stipulated for in the preceding Article, the Secretary General shall appoint an arbitrator within one week.
4. The Secretary General shall invite the arbitrators nominated by the two parties to elect a third arbitrator who shall be chairman of the Tribunal. However, in case of failing to reach an agreement within twenty days from the date of the invitation, the Secretary General shall appoint, within one week, the third arbitrator.

**Article (13)**

If either party disputes the validity of appointing one of the arbitrators, the Secretary General shall settle such dispute within three days by a final decision provided that this dispute on the validity shall be presented before holding the hearing fixed for considering the dispute.

**Article (14)**

If an arbitrator passes away, declines appointment, or force majeure prevents him from carrying out his duties or the continuation thereof, a substitute shall be nominated in his stead in the same manner in which the original arbitrator was appointed.

**Article (15)**

The Secretary General shall refer the dispute file to the Tribunal within seven days from the date of forming it in an aforementioned manner. The Tribunal shall proceed with carrying out its mandate within fifteen days from the date of notification thereof.

**Challenge of Arbitrators**

**Article (16)**

Either party may challenge the appointment of an arbitrator for reasons to be set out in his application. The challenge shall be submitted to the Secretary General.

**Article (17)**

1. In case one of the parties seeks to challenge an arbitrator, the other party may agree to such a challenge. Furthermore, the arbitrator sought to be challenged may relinquish the hearing of the dispute and a new arbitrator shall be appointed in the same manner in which the said arbitrator was nominated.
2. If the other party does not agree to the plea for challenging the arbitrator and if the said arbitrator sought to be challenged does not relinquish the hearing of the dispute, the Secretary General shall settle the issue of the challenge within three days from receiving an application in this respect.
3. If the Secretary General decides to challenge the arbitrator, a new arbitrator shall be appointed in accordance with the Rules. The challenged arbitrator as well as the parties shall be notified of such a decision.

**Plea for Non-Jurisdiction of the Arbitral Tribunal**

**Article (18)**

Unless it is expressly agreed otherwise, an Arbitration Agreement shall be deemed as independent from the contract subject-matter of the dispute. If the contract is invalidated or terminated for any reason, the Arbitration Agreement shall remain valid and effective.

**Article (19)**

The Arbitral Tribunal shall be competent to decide the issue relating to its lack of jurisdiction. This shall include the defenses based on the absence of an Arbitration Agreement, the invalidity of such Agreement, its expiry or its non-inclusion of the issue of the subject matter of the dispute. These defenses must be made in the first hearing prior to examining the merits.

**Hearings**

**Article (20)**

The Tribunal shall hold, at the request of either party, at any stage of the proceedings, hearings for oral arguments or hearing the testimony of witnesses or experts. If neither party makes such a request, the Tribunal shall have the option either to hold such hearings or to go ahead with the proceedings based on the papers and documents, provided that at least one hearing has already been held.

**Article (21)**

1. In case of oral arguments, the Tribunal shall notify the parties, within a sufficient period of time before the pleading’s hearing, of the date, time and place of the hearing.
2. In case of providing proof by the testimony of witnesses, the party upon whom the burden of proof rests shall notify the Tribunal and the other party, at least seven days before the testimony hearing, of the names of witnesses whom he plans to call to the witness stand, their addresses, the matters in respect of which the said witnesses shall testify and the language to be used for such testimony.
3. The Tribunal shall make the necessary arrangements for translation of verbal statements made at the hearing if such statements are in a language other than Arabic and the Tribunal shall prepare minutes of the hearing.
4. Pleading and testimony hearings shall be held behind closed doors unless otherwise agreed by the two parties and the Tribunal shall be free to decide the method of questioning the witnesses.
5. The Tribunal shall decide whether to accept or reject evidence and the existence of a link between the evidence and the issue of the case or lack of such linkage and the significance of the evidence provided.

**Article (22)**

1. If either party alleged that the documents submitted to the Tribunal have been forged, the Tribunal shall then temporarily suspend the Arbitral proceedings.
2. The Tribunal shall refer the alleged forgery to the competent committee for investigating it and taking a decision in respect thereof.
3. If the forgery incident is proved to be true, the Tribunal shall pass a ruling for the cancellation of documents proved to have been forged.

**Article (23)**

The Tribunal may, at any stage of the arbitration, request the parties to produce other documents or evidence, conduct an inspection of the premises subject to the dispute, and make investigations it deems fit, including assistance by experts.

**Article (24)**

The parties to the dispute may authorize the Tribunal to settle the dispute between them. They may also request the Tribunal at any stage to confirm what has been agreed upon between them by way of reconciliation or settlement, and it shall pass a ruling to that effect.

**Article (25)**

The Tribunal may, ex-officio or at the request of one of the parties to the dispute, decide at any time, after the closing of the pleadings and prior to rendering the award, to open pleadings anew on the merits for material reasons.

**Failure to Appear**

**Article (26)**

If either party fails to appear at the hearings after receiving notification to appear from the Tribunal, and does not provide, during a period of time being fixed by the Tribunal, an acceptable excuse for his absence, then such absence shall not bar proceeding with the arbitration.

**Interim Measures**

**Article (27)**

The Tribunal may take, at the request of either party, the necessary interim measures in respect of the subject matter of the dispute, including the measures for preservation of the contentious goods, such as ordering the deposit of the goods with third parties or sale of the perishable items thereof in compliance with the procedural rules in the country where the interim measure is adopted.

**Applicable Law**

**Article (28)**

The Tribunal shall settle disputes in accordance with the following:

1. The contract concluded between the two parties as well as any subsequent agreement between them.
2. The law chosen by the parties.
3. The law having most relevance to the issue of the dispute in accordance with the rules of the conflict of laws deemed fit by the Tribunal.
4. Local and international business practices.

**Article (29)**

The GCC regulations and resolutions as well as provisions of the Unified Economic Agreement and their interpretations shall be applicable to the disputes arising from the enforcement thereof.

**Deliberations and Award**

**Article (30)**

If there are several arbitrators and the pleadings have ceased, the Tribunal shall meet for deliberations and passing an award. The deliberations shall be confidential. However, if there is a single arbitrator on the Tribunal, he shall pass the award after the pleadings have ceased.

**Article (31)**

If there are several arbitrators, the award shall be passed by a unanimous or a majority vote. In all cases, an award shall be passed within a maximum period of one hundred days from the date of referring the case file to the Tribunal unless the parties agree on another period for passing the award. The parties covenant with each other to enforce the award with immediate effect. In case an award is passed by a majority vote, the dissenting arbitrator shall note down his opinion in a separate paper to be attached to the award without being considered part of it.

**Article (32)**

The period referred to in the preceding Article may be extended by a decision made by the Secretary General upon a reasoned request from the Tribunal. If the Secretary General is not convinced of the reasons given by the Tribunal for the extension request, the Secretary General shall fix a deadline in consultation with the parties to the dispute and the Tribunal shall pass its ruling within such deadline and its mandate shall be ended upon the expiry of the said deadline.

**Article (33)**

The award shall be reasoned and shall contain the arbitrators' names, their signatures, names of the parties, date of the award, place of issue, facts of the case, litigants' claims, a summary of their defense pleadings, their defenses, replies thereto and the party who shall incur the costs and legal fees either in full or partially.

**Article (34)**

1. The Tribunal shall send a copy of the award to the Secretary General for the purpose of deposit and registration, if required, under the law of the State in which the award shall be enforced.
2. The Tribunal Secretariat shall send a copy of the award to each of the parties by registered letter with a note of receipt within three days from the date the award is passed.

**Article (35)**

1. An award passed by the Tribunal pursuant to these Rules shall be binding and final. It shall be enforceable in the GCC member States once an order is issued for the enforcement thereof by the relevant judicial authority.
2. The relevant judicial authority shall order the enforcement of the arbitration award unless one of the litigants files an application for the annulment of the award in the following specific events:
3. If it is passed in the absence of an Arbitration Agreement or in pursuance of a null Agreement, or if it is forfeited by exceeding the deadline or if the arbitrator goes beyond the scope of the Agreement.
4. If the award is passed by arbitrators who have not been appointed in accordance with the law, or if it is passed by some of them without being authorized to hand down a ruling in the absence of others, or if it is passed pursuant to an Arbitration Agreement in which the issue of the dispute is not specified, or if it is passed by a person who is not legally qualified to issue such award.

Upon the occurrence of any of the events indicated in the above two paragraphs, the relevant judicial authority shall verify the validity of the annulment petition and shall pass a ruling for non-enforcement of the arbitration award.

**Article (36)**

The Tribunal may, ex-officio or at a written request from either party to be submitted through the Secretary General, correct any material and similar errors in the award after giving notice to the other party with respect to such request, provided that the correction request shall be submitted within fifteen days from the date of receiving the award. The correction shall be done and considered as an integral part of the award and notice thereof shall be given to the parties.

**Article (37)**

Either party may request the Tribunal, within seven days from the date of receiving the award, to interpret any ambiguity which may arise therein, provided that the other party shall be given notice of such request. The Tribunal shall provide the interpretation in writing within twenty days from the date of receiving such application. The interpretation shall be deemed as an integral part of the award in all aspects.

**Article (38)**

1. Either party may, upon a written request to be addressed to the Secretary General, request the annulment of the award for any of the following reasons:
2. If the Tribunal clearly acts beyond the scope of its powers.
3. If a new event is proved by virtue of a court judgment so as to have substantial impact upon the award.
4. If an arbitrator falls under an undue influence that has an effect on the award.
5. The request for annulment shall be submitted within sixty days from the date of receiving the award. However, if the annulment request is based upon the two reasons indicated in Paragraphs (b) and (c), it shall be submitted within sixty days from the date of discovering the event. In all cases, an annulment request shall not be entertained after the lapse of one year from the date of passing the award.
6. The Secretary General shall nominate a committee consisting of a chairman and two members from the Panel to examine the request and to decide upon it as soon as possible.
7. A committee member shall not be one of the arbitrators who passed the award nor a fellow national of either party to the dispute.
8. The committee shall decide either to annul the award in whole or in part if any of the reasons referred to in Clause (1) of this Article is fulfilled, or to support the award passed.

**Fees and Costs**

**Article (39)**

The Centre shall charge a fee of (BD 50) or the equivalent thereof for every reference to arbitration.

**Article (40)**

1. The Centre shall charge fees for the services provided to the parties, but such fees shall not, under any circumstances, be more than 2% of the amount in dispute.
2. The Secretary General shall propose a scale of fees for its services pursuant to Paragraph (1) of this Article and such scale of fees shall be effective upon approval by the Board of Directors of the Centre.

**Article (41)**

In consideration of its services, the Centre shall retain from the total fees payable to the arbitrators, a proportionate return of 3% from the sums paid to them upon conclusion of the cases and assignments undertaken at the Centre.

**Article (42)**

1. The Secretary General shall prepare a statement of a temporary estimate of the arbitrators' fees and other arbitration costs such as the travel expenses of the arbitrators and witnesses, fees of experts and translators and fees for the Centre's services. Each of the parties to a dispute shall be instructed to deposit a certain equal amount as an advance on account of such costs. The parties may be instructed to make supplementary deposits in the course of arbitration proceedings.
2. If the required deposits are not made within thirty days from the date of receiving the instructions, the Secretary General shall notify the parties in this respect so that one of them shall pay the required amounts. In case the amount is not paid, the Tribunal may order the suspension or termination of the arbitration proceedings.
3. Once the Tribunal's award is passed, the Secretary General shall submit a statement of the deposits and expenses and make a final settlement by refunding any surplus amount or collecting the amounts outstanding.

**The Arbitration Procedures Rules and its Amendments**

**Ratified by the Commercial Cooperation Committee in Riyadh, Kingdom of Saudi Arabia on 16th November 1994

Amendments ratified by the Commercial Cooperation Committee in Al-Ain, United Arab Emirates on 5th October 1999[[4]](#footnote-4)**

**Preliminary Provisions**

**Article (1)**

In the application of the provisions of this Rules, the following terms and expressions shall have the meanings assigned to them herein unless the context otherwise requires:

|  |  |  |
| --- | --- | --- |
| **Centre** | : | The Commercial Arbitration Centre for the Gulf Cooperation Council. |
| **Rules** | : | The Centre’s Commercial Arbitration Procedure Rules. |
| **Secretary General** | : | The Centre’s Secretary General. |
| **Tribunal** | : | The Arbitral Tribunal formed in accordance with the provisions of this Rules. |
| **Arbitration Agreement** | : | The Arbitration Agreement made by the parties in writing for reference to arbitration whether prior to the dispute (arbitration clause) or thereafter (arbitration stipulation). |
| **Panel** | : | A Panel of the arbitrator’s names at the Centre. |

 **Article (2)**

1. An Arbitration Agreement made in accordance with the provisions of this Rules before the Centre shall prevent the reference of the dispute from being submitted to any other authority or appealed to them by the Arbitral Tribunal.
2. In case of reference to arbitration, it is proposed that the following text be included in the Arbitration Agreement:

˝All disputes arising out of from or related to this contract shall be finally settled in accordance with the Constitution of the Commercial Arbitration Centre of the Gulf Cooperation Council˝.

 **Article (3)**

All agreements and arbitration clauses referred to arbitration before the Centre shall be presumed valid unless proven otherwise.

 **Article (4)**

Arbitration before the Centre shall be conducted in accordance with these Rules unless otherwise provided in the Arbitration Agreement. The parties may choose additional arbitration proceedings before the Centre, which shall not affect the powers of the Centre or Arbitral Tribunal provided for in these Rules.

**Article (5)**

The Centre’s Tribunal shall ensure all rights of defense for all parties to the dispute and shall treat them on an equal basis. The Tribunal shall ensure each party in the proceedings has the full opportunity to present his case.

**Article (6)**

1. The Arbitral Tribunal shall determine the place of the Arbitration unless agreed upon by the parties.
2. The Arbitral Tribunal may, after consulting with the parties, conduct hearings and meetings at any place it considers appropriate unless otherwise agreed by the parties.
3. The Arbitral Tribunal may hold the deliberations at any place it deems appropriate.
4. In all cases, the award shall be deemed to have been made at the place of arbitration and on the date indicated therein.

 **Article (7)**

In the absence of an agreement by the parties, the Arbitral Tribunal shall determine the language or languages to be used in the arbitral proceedings, taking into account the circumstances related to the arbitration, including the language of the contract.

**Arbitral Tribunal**

**Article (8)**

The Arbitral Tribunal shall be composed of a single arbitrator, or three arbitrators as mutually agreed upon between the parties. In case there is no agreement, the Secretary General shall form the Tribunal with one arbitrator, unless he finds that the nature of the dispute requires to be formed by three arbitrators.

**Submission of Applications**

 **and Reference to Arbitration**

**Article (9)**

The Claimant shall submit a written application to the Secretary General, including the following:

1. His name, surname, title, nationality, and address.
2. Name of the respondent, his surname, title, nationality, and address.
3. Statement of the dispute, its facts, evidence thereof and specified claims.
4. Name of the chosen arbitrator, if any.
5. A copy of the Arbitration Agreement and the documents related to the dispute.

The Secretary General shall ensure that all the necessary documents are available for pursuing the arbitration proceedings. In case the required documents are not complete, the concerned party shall be notified of the necessity of completing them.

**Article (10)**

Upon receipt of the arbitration application and payment of fees, the Secretary General shall notify the Claimant, acknowledging receipt of his application, and shall notify the respondent by registered letter, with a copy thereof within seven days from the date of receiving such application.

**Article (11)**

The respondent shall submit within twenty days from the date of being notified of the application, a reply memorandum containing his defense pleas, counter claims, if any, and the name of his chosen arbitrator accompanied by the documents available to him. The Secretary General may grant him, upon his request, an additional period not exceeding twenty days for this purpose.

 **Article (12)**

1. If the Arbitral Tribunal consists of a single arbitrator, the parties shall agree on his appointment within the period fixed in the previous Article, otherwise the Secretary General shall appoint an arbitrator from among the Centre’s Arbitrator’s Panel within two weeks from the end of such period. The Secretary General shall notify all parties of such appointment.
2. If the claimant fails to nominate the arbitrator he wishes to choose in his application, the Secretary General shall appoint the arbitrator within two weeks from the date of receiving the application.
3. If the respondent fails to nominate the arbitrator, he chooses within the period stipulated for in the previous Article, the Secretary General shall appoint an arbitrator within two weeks.
4. The Secretary General shall invite the arbitrators nominated by the two parties to choose a third arbitrator who shall be President of the Tribunal. However, in case of failure to reach agreement within twenty days from the date of the invitation, the Secretary General shall appoint, within two weeks, the third arbitrator.

**Multiple Parties**

**Article (13)**

1. Where there are multiple parties, whether as claimants or respondents, and where the dispute is to be referred to arbitral tribunal formed of three arbitrators, the multiple parties jointly, as claimants, or as respondents, shall appoint an arbitrator.
2. If the parties fail to appoint arbitrators as mentioned hereinabove, the Secretary General shall appoint all the arbitrators including the presiding arbitrator of Tribunal.

**Article (14)**

If either party disputes the validity of appointing one of the arbitrators, the Secretary General shall settle such dispute within two weeks by a final decision provided that the dispute should be raised before the hearing of the dispute.

**Article (15)**

If an arbitrator passes away, declines appointment, or force majeure prevents him from carrying out his duties or the continuation thereof, a substitute shall be appointed in his stead in the same manner in which the original arbitrator was appointed.

**Article (16)**

The Secretary General shall refer the dispute file to the Tribunal within seven days from the date of forming it in the above said manner. The Tribunal shall proceed with carrying out its mandate within fifteen days from the date of its notification.

**Challenge of Arbitrators**

**Article (17)**

Either party may challenge the appointment of an arbitrator for reasons to be set out in his application. The challenge shall be submitted to the Secretary General.

 **Article (18)**

1. In case one of the parties seeks to challenge an arbitrator, the other party may agree to such challenge. Furthermore, the arbitrator sought to be challenged may relinquish the hearing of the dispute and a new arbitrator shall be appointed in the same manner in which the said arbitrator was nominated.
2. If the other party does not agree to the plea for challenging the arbitrator and if the said arbitrator sought to be challenged does not relinquish the hearing of the dispute, the Secretary General shall settle the issue of the challenge within three days from receiving an application in this respect.
3. If the Secretary General decides to dismiss the arbitrator, a new arbitrator shall be appointed in accordance with the Rules. The challenged arbitrator, as well as the parties, shall be notified of such decision.

**Plea for Jurisdiction of the Arbitral Tribunal**

**Article (19)**

Unless there is an express agreement to the contrary, an Arbitration Agreement shall be deemed as independent from the contract subject to the dispute. If the contract is invalidated or terminated for any reason, the Arbitration Agreement shall remain valid and effective.

**Article (20)**

The Arbitral Tribunal shall be competent to decide the matter relating to its own non-jurisdiction. This shall include the defenses based upon the non-application, invalidity, expiry or non-coverage of an Arbitration Agreement, which shall be presented at the first hearing prior to examining the merits.

**Hearings**

**Article (21)**

The Tribunal shall hold, at the request of either party, at any stage of the proceedings, hearings for oral arguments or hearing testimonies of witnesses or experts. If neither party makes such a request, the Tribunal shall have the option either to hold such hearings or to go ahead with the proceedings on the basis of the papers and documents, provided that at least one hearing has already been held.

**Article (22)**

1. In the event of oral argument, the Tribunal shall notify the parties, within a sufficient period of time, of the date before the pleading’s hearing, of the date, time and place of hearing.
2. In case of providing proof by testimony of witnesses, the party that bears the burden of proof shall notify the Tribunal and the other party, at least seven days before the testimony hearing, of the names of witnesses whom he plans to call to the witness stand, their addresses, the matters in respect of which these witnesses shall testify and the language to be used for such testimony.
3. The Tribunal shall make the necessary arrangements for translation of verbal statements made at the hearing if such statements are in a language other than Arabic, and the Tribunal shall prepare minutes of the hearing.
4. The Pleading and testimony hearings shall be confidential unless the two parties agree to the contrary, and the Tribunal shall be at liberty to decide the method of questioning the witnesses.
5. The Tribunal shall decide whether to accept or reject evidence and the existence of a link between the evidence and the subject matter of the case, or lack of such linkage and the significance of the evidence provided.

**Article (23)**

1. If either party alleged that the documents submitted to the Tribunal have been forged, the Tribunal shall temporarily suspend the Arbitral proceedings.
2. The Tribunal shall refer the alleged forgery to the competent committee to investigate it and issue a decision in respect thereof.
3. If the forgery incident is proved to be true, the Tribunal shall pass a ruling canceling the documents which have been proven to be forged.

**Article (24)**

The Tribunal may, at any stage of the arbitration, request the parties to produce other documents or evidence, conduct an inspection of the premises subject to the dispute and make investigations it deems fit, including assistance by experts.

**Article (25)**

The parties of the dispute may authorize the Tribunal to settle the dispute between them by means of reconciliation. They may also request the Tribunal at any stage to confirm what has been agreed upon between them by way of a reconciliation or settlement, and it shall pass a ruling to that effect.

**Article (26)**

The Tribunal may, ex-officio or at the request of one of the parties to the dispute, decide at any time, after the closing of the pleadings and prior to rendering the award, to reopen pleadings on the merits for fundamental reasons.

**Failure to Appear**

**Article (27)**

If either party fails to appear at the hearings after receiving notification to appear from the Tribunal and does not provide, within a time limit fixed by the Tribunal, an acceptable excuse for his absence, such absence shall not stop arbitral proceedings.

**Interim Measures**

**Article (28)**

The Tribunal may take, upon the request of either party, interim measures in respect of the subject matter of the dispute, including injective relief and measures for preservation of the contentious goods, such as ordering the deposit of the goods with third parties or sale of the perishable items thereof in compliance with the procedural rules in the country where the interim measure is adopted.

**Applicable Law**

**Article (29)**

The Tribunal shall settle disputes in accordance with the following:

1. The contract concluded between the two parties as well as any subsequent agreement between them.
2. The law chosen by the parties.
3. The law having most relevance to the issue of the dispute in accordance with the rules of the conflict of laws deemed appropriate by the Tribunal.
4. Local and international trade practices.

**Article (30)**

The GCC regulations and decisions as well as provisions of the Unified Economic Agreement and their interpretations shall be applicable to the disputes arising from the enforcement thereof.

**Deliberations and Award**

**Article (31)**

If there are several arbitrators and the proceedings have been closed, the Tribunal shall meet for deliberations and passing an award. The deliberations shall be confidential. However, if there is a single arbitrator on the Tribunal, he shall make the award after proceeding is closed.

 **Article (32)**

If there are several arbitrators, the award shall be passed by a unanimous or a majority vote. In all cases, an award shall be passed within a maximum period of one hundred days from the date of referring the case file to the Tribunal, unless the parties agree on another period for passing the award. The parties covenant with each other to enforce the award with immediate effect. In case an award is passed by a majority vote, the dissenting arbitrator shall note down his opinion in a separate paper to be attached to the award, but the dissent shall not be deemed as an integral part thereof.

**Article (33)**

The period referred to in the previous Article may be extended by a decision made by the Secretary General upon a grounded request from the Tribunal. If the Secretary General is not convinced of the reasons given by the Tribunal for the extension request, the Secretary General shall set a deadline in consultation with the parties to the dispute and the Tribunal shall pass its ruling within such deadline and its mandate shall be ended upon the expiry of the said deadline.

**Article (34)**

The award shall be grounded and shall contain the arbitrators’ names, their signatures, names of the parties, date of the award, place of issue, facts of the case, litigants’ claims, a summary of their defense pleadings, their defenses, replies thereto and the party who shall incur the costs and legal fees either in full or partially.

**Article (35)**

1. The Tribunal shall send a copy of the award to the Secretary General for the purpose of deposit and registration, if required, under the law of the State in which the award shall be enforced.
2. The Tribunal Secretariat shall send a copy of the award to each of the parties by registered letter with a note of receipt within three days from the date the award is passed.

**Article (36)**

1. An award passed by the Tribunal pursuant to these Rules shall be binding and final. It shall be enforceable in the GCC member States once an order is issued for the enforcement thereof by the relevant judicial authority.
2. The relevant judicial authority shall order the enforcement of the arbitration award unless one of the litigants files an application for the annulment of the award in the following specific cases:
	1. If it is issued in the absence of an Arbitration Agreement or in pursuance of a null Agreement, or if it is forfeited by exceeding the deadline, or if the arbitrator goes beyond the limits of the Agreement.
	2. If the award is passed by arbitrators who have not been appointed in accordance with the law, or if it is passed by some of arbitrators without being authorized to hand down a ruling in the absence of others, or if it is passed pursuant to an Arbitration Agreement in which the issue of the dispute is not specified, or if it is passed by a person who is not legally qualified to issue such award.

Upon the occurrence of any of the events indicated in the above two paragraphs, the relevant judicial authority shall verify the validity of the annulment petition and shall pass a ruling for non-enforcement of the arbitration award.

**Article (37)**

The Tribunal may, ex-officio or upon a written request from either party to be submitted through the Secretary General, correct any material and similar errors in the award after giving notice of arbitration to the other party with respect to such request, provided that the correction request shall be submitted within fifteen days from the date of receiving the award. The correction shall be done and considered as an integral part of the award and notice thereof shall be given to the parties.

 **Article (38)**

Either party may request the Tribunal, within seven days from the date of receiving the award, to interpret any ambiguity which may arise therein, provided that the other party shall be given notice of such request. The Tribunal shall provide the interpretation in writing within twenty days from the date of receiving such application. The interpretation shall be deemed as an integral part of the award in all aspects.

**Fees and Costs**

**Article (39)**

The Centre shall charge a fee of 50 Bahraini dinars or the equivalent thereof for every reference to arbitration.

**Article (40)**

1. The Centre shall charge fees for the services provided to the parties, but such fees shall not, under any circumstances, exceeds 2% of the amount in dispute.
2. The Secretary General shall propose a scale of fees for its services pursuant to the Paragraph (1) of this Article, and such scale of fees shall be effective upon approval by the Board of Directors of the Centre.

**Article (41)**

1. The Secretary General shall prepare a statement of temporary estimates of the arbitrators’ fees and other arbitration costs such as the travel expenses of the arbitrators and witnesses, fees of experts and translators and fees for the Centre’s services. Each of the dispute's parties shall be instructed to deposit a certain equal amount as an advance on account of such costs. The parties may be instructed to make supplementary deposits during the course of arbitration proceedings.
2. If the required deposits are not made within thirty days from the date of receiving the instructions, the Secretary General shall notify the parties in this respect so that one of them shall pay the required amounts. In case the amount is not paid, the Tribunal may order the suspension or termination of the arbitration proceedings.
3. Once the Tribunal’s award is passed, the Secretary General shall submit a statement of the deposits and expenses and make a final settlement by refunding any surplus amount or collecting the amounts outstanding.

**Final Provisions**

**Article (42)**

The GCC Commercial Cooperation Committee shall have the right to amend these Rules and the Board of Directors of the Centre shall have the right to interpret them.

**Article (43)**

These Rules shall come into effect immediately upon approval by the GCC Commercial Cooperation Committee.

1. This is an unofficial translation and in the event of any conflict or discrepancy between the English text and the Arabic text, the Arabic text shall prevail. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)
3. This is an unofficial translation and in the event of any conflict or discrepancy between the English text and the Arabic text, the Arabic text shall prevail. This is an unofficial translation and in the event of any conflict or discrepancy between the English text and the Arabic text, the Arabic text shall prevail. [↑](#footnote-ref-3)
4. This is an unofficial translation and in the event of any conflict or discrepancy between the English text and the Arabic text, the Arabic text shall prevail. [↑](#footnote-ref-4)