

Starting an Arbitration at the GCCCAC

Type	Practical Guidance
Document type	Practice Note
Date	12 Sep 2023
Jurisdiction	United Arab Emirates
Copyright	LexisNexis

Document link: https://www.lexismiddleeast.com/pn/UnitedArabEmirates/Starting_an_Arbitration_at_the_GCCCAC

Overview

- This Practice Note provides an overview of how to commence an arbitration at the GCC Commercial Arbitration Centre (GCCAC), including the process of appointing the arbitral tribunal.
- The process for commencing an arbitration is very similar to other arbitration centres around the world. However, the GCCAC's jurisdiction is limited to hearing commercial disputes between GCC nationals or between GCC nationals and other nationals.
- Although the GCCAC is based in Bahrain, it is a separate legal entity from the Kingdom of Bahrain and enjoys immunity.

Definitions

- *GCCAC or the Centre*: Gulf Co-operation Council Commercial Arbitration Centre.
- *GCCAC Rules*: [Arbitral Rules of Procedure and Amendments for the GCC Commercial Arbitration Centre of 1994, as amended in 1999](#)^[1 p.6].
- *Secretary General*: GCC Commercial Arbitration Centre's Secretary General.

Practical Guidance

Introduction

The GCCAC was established in March 1995 by the GCC Supreme Council to provide companies operating in the GCC countries with a quick mechanism to resolve commercial disputes. The GCCAC has jurisdiction to hear commercial disputes between GCC nationals or between them and other nationals, including natural and corporate persons (article 2 of the [GCCAC Constitution](#)^[2 p.6]).

The GCCAC is based in Bahrain and is considered an independent regional institution that enjoys immunity. This means it is not bound by or affiliated with Bahrain's national legal system. An award handed down by the GCCAC will not be considered issued in the territory of the Kingdom of Bahrain.

Starting an arbitration at the GCCAC

To initiate arbitration proceedings under the GCCAC, the parties must first agree to submit their dispute to arbitration through an arbitration clause in the underlying contract or, after a dispute has arisen, with a submission agreement.

In addition, the parties must expressly state in such arbitration clause to have their dispute or controversy referred to and be settled in accordance with the GCCAC Rules. If the parties have not explicitly done so, the GCCAC can refuse to register the written application, or an arbitral tribunal formed under the GCCAC Rules may well decline jurisdiction. Parties are encouraged to use the Centre's model arbitration clause under article 2 of the GCCAC Rules which states that:

"All disputes arising from or related to this contract shall be finally settled in accordance with the Charter of the Commercial Arbitration Centre for the States of the Cooperation Council for the Arab States of the Gulf."

All agreements and stipulations referred to arbitration before the GCCAC are presumed valid unless evidence demonstrates the invalidity of such agreements and stipulations (article 3 of the GCCAC Rules). Regarding the conduct of an arbitration by the arbitral tribunal under the GCCAC Rules, the arbitral tribunal must ensure all rights of the defence for all parties to the dispute, by treating them on an equal basis and allowing all parties to fully present their case (article 5 of the GCCAC Rules).

It is recommended that the parties to an arbitration at the GCCAC specify the seat of the arbitration, the language, and the number of arbitrators in the arbitration clause or submission agreement. In the absence of any specification by the parties in relation to the seat and the language, the arbitral tribunal has the authority to determine the same (article 6(1) and 7 of the GCCAC Rules). Further, in the event that the parties fail to agree on the number of arbitrators, the Secretary General will then form the arbitral tribunal with one arbitrator, unless the dispute involves a complex matter in which case three arbitrators will be appointed (article 8 of the GCCAC Rules).

Written application for arbitration

Pursuant to article 9 of the GCCAC Rules, the claimant must submit a written application to the Secretary General of the GCCAC to commence an arbitration. The written application must include the following:

- claimant's name, capacity, nationality and address;
- name of the respondent, surname, capacity, nationality and address;
- statement of the dispute, its facts, evidence thereof and specified claims;
- name of the nominated co-arbitrator (if any); and
- a copy of the arbitration agreement and the documents relating to the dispute.

The above list is not exhaustive, and parties may include additional details if they wish. The written application may also include the statement of claim.

The Secretary General will ensure all necessary documents are available to commence the arbitration proceedings. If the required documents are absent, the Secretary General will notify the claimant to produce them (article 9 of the GCCCACC Rules).

Article 39 of the GCCCACC requires the claimant to pay a filing fee of BHD 50 in order to register an arbitration at the GCCCACC. Following receipt of the written application and payment of fees, the Secretary General will notify the claimant that the application has been received and also notify the respondent by registered letter within seven days of receiving the application (article 10 of the GCCCACC Rules).

Respondent's reply memorandum

Pursuant to article 11 of the GCCCACC Rules, the respondent must submit a reply within 20 days from being notified of the written application by the Secretary General. The reply should set out the following:

- the respondent's defence plea;
- counter claims (if any); and
- the name of the respondent's nominee as its co-arbitrator (if required) with supporting documents.

If the respondent fails to provide supporting documentation, the Secretary General may grant the respondent a grace period of 20 days to provide such documents (article 11 of the GCCCACC Rules).

Appointment of an arbitral tribunal

Article 12(1) of the GCCCACC Rules provides that, if the arbitral tribunal consists of a sole arbitrator, the parties will agree on the arbitrator's appointment within 20 days of the respondent being notified of the written application. If the parties fail to agree on a sole arbitrator, the Secretary General will appoint an arbitrator from the GCCCACC arbitrator's panel within two weeks from the end of the 20-day period. The Secretary General will notify the parties of the appointment.

If the arbitral tribunal consists of three arbitrators and the claimant fails to nominate its arbitrator within its written application, the Secretary General will appoint an arbitrator on its behalf within two weeks from the date the GCCCACC received the written application (article 12(2) of the GCCCACC Rules). If the respondent fails to nominate its arbitrator within the 20 days of being notified of the written application, the Secretary General will appoint an arbitrator within two weeks from submitting its reply (article 12(3) of the GCCCACC Rules).

The Secretary General will invite the parties' nominated arbitrators to select a third arbitrator who will serve as the chairman of the arbitral tribunal. In case the nominated arbitrators fail to reach an agreement within 20 days from the date of invitation, the Secretary General will appoint the third arbitrator within two weeks from the expiration of the 20-day period (article 12(4) of the GCCCACC Rules).

GCCCACC guidance when there are multiple parties

Article 13 of the GCCCACC Rules provides that when there are multiple parties, whether as claimant or as respondent, and where the dispute is referred to an arbitral panel of three arbitrators, the multiple parties will jointly nominate an arbitrator. If the parties fail to appoint an arbitrator, the Secretary General will appoint the arbitrator, including the chairman of the tribunal.

Article 14 of the GCCCACC Rules provides that if a party disputes the appointment of one of the arbitrators, the Secretary General will settle the dispute within two weeks from when a party raises the dispute, provided that the dispute was raised before the arbitral tribunal held a preliminary hearing.

Following article 15 of the GCCCACC Rules, if an arbitrator dies, declines an appointment, or force majeure prevents the arbitrator from carrying out the arbitrator's duties, the party who nominated the arbitrator may nominate another arbitrator in the same manner as provided above.

Moreover, article 16 of the GCCCACC Rules provides that the Secretary General will refer the file to the arbitral tribunal within seven days from the date the arbitral tribunal is formed. The arbitral tribunal is required to begin carrying out its mandate within 15 days from the date of receiving the file.

Related Content

International Convention

- [New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards](#)^[3 p.6]

Regulations

- [Arbitral Rules of Procedure and Amendments for the GCC Commercial Arbitration Centre of 1994, as amended in 1999](#)^[1 p.6]
- [GCCCACC Constitution](#)^[2 p.6]

Authors



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Areas of expertise

- Tech Law
- Dispute Resolution
- Employment Law
- Sports Law
- Entertainment and Fashion Law

Memberships

- Barrister in England & Wales
- Fellow of Chartered Institute of Arbitrators

Biography

Sarah Malik is an award-winning lawyer who founded SOL International Ltd, a boutique legal consultancy registered at the ADGM, UAE in 2018. Sarah achieved 'Litigator of the Year' (2022) at the first GCC Women in Law Awards and received an honourable mention as 'Law Firm Leader of the Year' category at the same awards. Sarah and SOL are recognised by Legal 500 EMEA as 'Leading Practitioner' and 'Firm to Watch'. Sarah was also recognised as one of 'Asia's 100 Women Power Leaders 2023' by White Page International in May 2023.

Prior to founding SOL Sarah practiced as a Barrister at a leading set of Commercial Chambers in London for fifteen years, worked as employed Counsel at a prominent UK law firm for two years and headed a team of an international law firm in Dubai for three and a half years.

Sarah is appointed to various boards both in academia and in practice internationally in an advisory capacity.

Sarah has successfully completed the Fashion Law Certificate Program from the renowned Milano Fashion Institute in July 2023 obtaining 97% and Merit. The course covered fashion processes and business models (including France, Italy, Brazil, and China) fashion IP processes, fashion negotiation, design, fashion pipeline and counterfeiting, marketing and promotion agreements, and merchandising plan: how to plan and design a fashion collection.

In July 2023, she was appointed to the Fashion Law Arabia Council. She is a published author of various articles on issues affecting the fashion industry including sustainability, metaverse and franchising and HR issues. Sarah has spoken on panels on infringement issues in the virtual fashion world. She is instructed by a company who brings a unique and innovative concept to the market to authenticate luxury goods.

Sarah has advised a major Italian luxury fashion house in the UAE in respect of misuse of employee benefits and is retained as Counsel of one of the largest jewellery brands in Gold and Diamond Park UAE.

Sarah will join a panel on Sustainability and Fashion in Saudi Arabia.

She is assisting a European designer to showcase a collection in the Middle East and is in talks with a jewellery designer in Paris to bring the collection to the Middle East. She is frequently invited to speak at conferences within the UAE, GCC and internationally including for ICC, CI Arb and IBA. Sarah also undertakes entertainment law and looks after the interests of artists including IP rights.

Sarah has been appointed as Vice President of Arabian Leaders Magazine which will showcase with a soft launch at an Arabian Fashion Gala in Dubai to be followed by an event in Saudi, Bahrain, Qatar, Paris and London.



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Biography

Swetha Sivaram is Consultant Counsel at SOL International Ltd, specialising in dispute resolution and employment law. As a newly qualified solicitor from England and Wales and a registered practitioner at the DIFC Courts, Swetha brings a strong background in law to her role. Swetha is featured by Legal 500 EMEA in the Arbitration Powerlist Middle East 2023 as part of the SOL team.

In her role at SOL International Ltd, Swetha handles various responsibilities related to arbitration, commercial litigation and employment cases. She has assisted Counsel as the sole junior on the first race discrimination/harassment claim in the DIFC Courts and had diverse responsibilities including preparing the first drafts of pleadings, organising case bundles, facilitating communication with witnesses and the opposing party, and preparing points for cross-examination. She was also a junior on two multi-million construction arbitrations.

Beyond her casework, Swetha contributes to legal publications and regularly authors articles for LexisNexis Middle East Law and HR Alert.

Swetha has volunteered for the ADGM Pro Bono Programme since 2021 and she is also a member of the DIFC Pro Bono Programme.

Swetha actively participates in the Dubai Arbitration Week events and other legal events organised annually by SOL International Ltd contributing to the growth and knowledge-sharing within the legal community.



Luwam Fikadu

Paralegal, SOL International Ltd

Biography

Luwam is a Paralegal with SOL International Ltd. An LLB (Hons) graduate from Brunel University London and an LLM (Hons) graduate in International Business Law from Middlesex University Dubai, Luwam is pursuing the route of qualification as a US attorney.

Luwam has a keen interest in commercial law and employment Law and is involved in the firm's busy litigation and arbitration practice. She conducts legal research, assists in writing legal articles, and is actively involved with case management and business development of the firm.

Notes

1. [^] [p.2] [p.3] <https://www.gccac.org/gccweb/en/centre-s-rules/arbitration-procedures>
2. [^] [p.2] [p.3] <https://www.gccac.org/gccweb/en/centre-s-rules/centre-s-constitution>
3. [^] [p.3] <https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/new-york-convention-e.pdf>