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Is Saudi Arabia a Safe Seat? The Numbers Now Say Yes

What a new study of 967 Saudi appeal judgments means for parties drafting Saudi related arbitration clauses

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For most of the past decade, advising a client on whether to agree a Saudi seat or a Saudi enforcement nexus has involved a measure of judgement that the data did not yet support. The legal framework was sound, the Kingdom had been a party to the New York Convention since 1994, and Vision 2030 had set an unmistakable direction of travel. What was missing was evidence and a reliable picture of how Saudi courts actually behave when an arbitral award lands in front of them.

That gap has now been filled. An important new study by the Saudi Center for Commercial Arbitration analyses 967 arbitration related judgments issued by the Saudi Courts of Appeal between January 2023 and June 2025, drawn from records held by the Ministry of Justice. In every case the governing law was the Saudi Arbitration Law and the seat was within the Kingdom. For the first time, counsel can answer the safe seat question with figures rather than impressions.

Headline finding

The single most important number for any party weighing a Saudi seat concerns annulment. Of the 967 judgments reviewed, 194 were applications to set aside an award, roughly one in five. Of those 194 applications, 174 were rejected. That is a rejection rate of 89.7 percent. Full annulment was ordered in only 12 cases, 6.2 percent of the applications, and partial annulment in a further eight, 4.1 percent.

The picture is even more striking over a longer horizon. Read alongside the SCCA's four earlier studies, the combined dataset now exceeds 3,300 judgments issued between 2017 and 2025, including 565 annulment applications. Of those, 518 were rejected: a rejection rate of 91.7 percent sustained across eight years and successive cohorts of judges. This is not a single favourable snapshot. It is a settled pattern.

For clients, the practical conclusion is simple. An award rendered in a Saudi seated arbitration is highly likely to survive challenge, and a party contemplating a set aside application as a delay tactic should expect to fail and to bear the consequences.

Sharia and public policy concern

The objection most frequently raised in conference rooms is not really about statistics. It is the fear that a Saudi court will reopen an award on grounds of Sharia or public policy, importing an unpredictable substantive review through the back door. The data lays that fear largely to rest.

Across the 194 annulment applications in the core study, Sharia was the basis for setting aside in a single instance of partial annulment, and even there the court relied on public policy and other grounds as well. Public policy featured in only three cases, one of which was the same judgment. Over the full 2017 to 2025 dataset, annulment grounded in Sharia or public policy was confined to 13 cases out of more than 3,300. These grounds exist, they are real, and a careful practitioner will still structure around them. But they are invoked successfully in a vanishingly small fraction of cases, and the courts have shown no appetite to expand them.

Limited review

Underpinning these outcomes is a consistent judicial philosophy. The study confirms that Saudi courts apply a narrow standard of review under Article 50 of the Saudi Arbitration Law, the provision that corresponds to Article 34 of the UNCITRAL Model Law and Article V of the New York Convention. The courts do not reopen the merits, reassess the tribunal's interpretation of the substantive law, or re weigh the evidence. Errors of law or fact, on the case law, are not in themselves grounds to annul. The Courts of Appeal have treated the Article 50 grounds as exhaustive, not capable of expansion by analogy.

The same restraint appears across the other pillars of a credible arbitral environment. Courts have upheld the tribunal's authority to rule on its own jurisdiction and the separability of the arbitration clause from the underlying contract. They have respected the parties' chosen mechanisms for constituting the tribunal, intervening only where fairness or impartiality is genuinely at risk. They have declined to annul for procedural irregularities falling outside the statutory grounds, and have given effect to chosen institutional rules. Notably, they have also embraced electronic notification, validating service by message, application, or designated email, with the burden falling on a recipient to prove non receipt. This is a judiciary behaving as an arbitration friendly supervisory court should.

One crease remains worth flagging to clients. The Saudi Arbitration Law requires an odd number of arbitrators, and a tribunal that does not comply is void under Article 13. However, it is an avoidable error that drafting discipline eliminates.

The Draft Law

The study also compares the current 2012 law and the Draft Arbitration Law now under consideration against the Model Law. The direction is unambiguous. The Draft Law moves the Kingdom closer to international practice and removes several features that have given foreign parties pause. The changes that matter most in practice are as follows.

Arbitrator eligibility is liberalised. The current requirement that a sole arbitrator or tribunal chair hold a degree in Sharia or law is removed, opening the way to appoint technical specialists and seasoned international arbitrators regardless of background. The Draft Law also confirms that no particular nationality is required unless the parties agree otherwise, and it codifies arbitrator immunity from personal liability save for fraud or gross professional misconduct.

The proceedings are modernised. The Draft Law expressly permits service by electronic means including email and mobile, empowers tribunals to hold hearings remotely, and allows awards to be signed electronically and treated as made at the seat even when signed elsewhere. It also builds out the framework for interim and precautionary measures and introduces contemporary tools such as the emergency arbitrator. Together these provisions bring the Saudi regime into line with how international arbitration is actually conducted today.

Practical takeaways

For parties and counsel, three points follow. First, a Saudi seat is a defensible choice for Saudi connected disputes, and the burden has shifted to those who would argue otherwise. Second, drafting still matters. Specify an odd number of arbitrators, choose institutional rules deliberately, and address seat, language, and notification expressly. Third, those negotiating long term arrangements should draft with the Draft Law in view, since its more flexible regime on arbitrator eligibility, remote hearings, and electronic process is the framework the Kingdom is moving toward.

What was once reassurance based largely on instinct can now be grounded in evidence. The data points to a more mature, reliable, and arbitration-friendly environment, giving parties greater confidence in choosing the Kingdom as a seat of arbitration. For clients with Saudi exposure, that shift is both meaningful and commercially significant.

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