ANNUAL REPORT
ON THE CENTRE’S ACTIVITIES AND OPERATIONS 2018
GCC leaders during the (38th) GCC Summit
Kuwait on 17 Rabi‘a Al Awal 1439 Hijra
corresponding to 5 December 2017
HH Prince Dr. Bandar bin Salman bin Mohamed Al Saud Honorary President

Board of Directors 2018

Bader Saud Al Bader
Chairman
State of Kuwait

MOHAMED HILAL AL MAHARY
Vice Chairman
United Arab Emirates

Redha Juma Al Saleh
Member
Sultanate Oman

Dr. Shaikh Thani bin Ali bin Thani
Member
State of Qatar

MANSOOR ABDULLA AL SHATHRY
Member
Kingdom of Saudi Arabia

Sami Mohammed Sharif
Member
Kingdom of Bahrain
Secretary General’s Message:

In my name and on behalf of the Chairman and members of the Board of Directors of the GCC Commercial Arbitration Centre (Dar Al Karar) in its 24th term which continued from 1 January to 31 December 2018 under the chairmanship of Mr. Bader Saud Al Bader, Representative of the State of Kuwait, I salute the high level of understanding, cooperation and professionalism of the members of the Board of Directors in dealing with the proposals that we put to them. The Board has held a meeting in July 2018 to consider the views of the members with respect to a draft staff regulation. During this term of the Board, the external auditor of the Centre was changed in accordance with the provisions of the law on the appointment of external auditors. The Centre has also moved to Dar Al Karar building to herald a new phase of the Centre’s pursuit to affirm its regional and international status in terms of its legal personality, immunities, benefits and the quality of its judgement and awards.

During its 24th term, the Centre continued to register growth in the number and value of applications for arbitration compared to the previous year 2017. The Centre also continued to enhance its role in training by introducing the Arbitrators’ Qualification and Development Programme and three specialized programmes, namely engineering arbitration, maritime arbitration and arbitration in financial markets. The number of participants in the Centre’s programmes reached 434 in total, which is 34 participants more than last year. The Centre has also registered 236 arbitrators and experts, an increase of 25 members compared to last year.

I would like, here, to express our sincere thanks and appreciation to His Highness Prince Dr. Bandar bin Salman bin Mohamed Al Saud, Honorary President of the Centre, for his role and unstinting support. Thanks to his guidance and support, the Centre was able to enhance its standing since 1995 to become at the forefront of the Arab arbitration centres. It has proved to be an independent arbitration centre that performs its role as stipulated by the Economic Agreement between the GCC states signed on 31 December 2001, Article (27/2) which provides that public entities and agencies in GCC states shall refer arbitration cases to the Centre.

This report narrates what we have been able to achieve with the cooperation of the Board of Directors of the twenty-fourth term in 2018.
Our Vision
To have an integrated judicial and arbitration system, independent of the GCC states, including the headquarters state, closely connected to the regional and international arbitration situation with the system and regulations drawn from a multi-party sovereign source that rises above laws in force in the GCC States.

Our Mission
To enhance the role of arbitration as a self-independent system and a unique tool for resolving commercial disputes and for attracting foreign direct investment (FDI) and qualify and train a new generation of arbitrators by conducting training programmes of high quality and spread arbitration culture.

Our Values
Complete neutrality and impartiality, integrity in the supervision of arbitration proceedings and ensuring that absolute and flexible justice is served that responds to the specifics of the dispute.

Our Strategic Objectives
1. To enhance the regional and arbitration nature of the centre in terms of its legal entity, sovereignty, benefits and the nature of its awards, considering that the GCC is the parent institution to which the centre is affiliated.
2. To co-operate on the regional level in order to introduce a new and modern legislation dealing with arbitration, relying upon the concept of the rule of the will prevailing on international commercial markets.
3. To co-operate with judicial and legal bodies in the GCC countries in the fields of arbitration management, appointment of arbitrators and pursuit enforcement of arbitral awards.
4. To provide assistance by way of giving legal opinions and advice when national arbitration centres are established in the GCC countries.
5. To provide advisory services on drafting arbitration agreements or providing a list to choose from the best cadres to undertake the arbitration process.
6. To co-operate on a regional level with chambers of commerce, judicial training institutes, labour unions and professional societies in organizing conferences and seminars and implementing arbitral and legal training programmes.
7. To expand the scope of the Centre’s services on a regional level and publishing academic journals and publications and improve and sustaining the satisfaction of stakeholders.
The Centres Activities and Operations 2018
First: Board of Directors

The Centre’s Constitution stipulates that the Board of Directors shall meet at least once every six months or whenever the need arises. Accordingly, the Board of Directors convened two meetings in 2017 during which a number of resolutions were passed, the most important of which are as follows:

The Centre’s Constitution stipulates that the Board of Directors shall meet at least once every six months or whenever the need arises. Accordingly, the Board of Directors convened three meetings in 2018 during which a number of resolutions were passed, the most important of which are as follows:

1. **Meeting No. (69) Held at the Centre’s Headquarters in the Kingdom of Bahrain – Wednesday 11 April 2018:**
   - Approval of the financial report of the external auditors, Messrs. BDO, for the Centre’s financial year ended on 31.12.2017.
   - Approval of the re-appointment of Messrs. Grant Thornton – Abdulaal as auditors for the Centre’s accounts for financial year 2018.

2. **Meeting No. (70) Held at the Centre’s Headquarters in the Kingdom of Bahrain - Sunday 8 July 2018:**
   - Fixing the date of the official opening of the new headquarters, which was determined to be Tuesday evening, 18.12.2018, under the patronage of His Highness Prince Dr. Bandar bin Salman bin Mohamed Al Saud, Honorary President. It was also decided to invite certain ministers, the Secretary General of the GCC and the heads of GCC chambers of commerce, former members of the Board of Directors, former Secretaries-General, representatives of arbitration centres in the GCC States and some Arab countries, and leading businessmen, investors and lawyers. It was resolved to name the First Chamber of Arbitration after His Highness Prince Bandar bin Salman bin Mohamed Al Saud, Honorary President, in recognition of his great role in supporting the Centre.
   - Approving the Management Letter from the external auditor.
   - Amending Paragraph (12) of Article (4) of the Regulation of the Expenses of Arbitration with effect from 1 August 2018. The amendment stipulates that “If the parties request the arbitral tribunal to suspend and terminate arbitration proceedings, or affirm a compromise or settlement agreed upon by the two parties and the tribunal issued a final ruling in this regard, or if arbitration is terminated for any other reason prior to the issuance of a final award, the Secretary General shall at his own discretion determine the percentage of the prescribed fees payable to the arbitral tribunal based on the stage that the arbitration process has reached, and, in this, he may be guided by an estimation by the chairman of the arbitral tribunal”.
   - Discussing the comments of the members of the Board of Directors on the draft staff regulations of the Centre.
3. **Meeting No. (71) Held at the Centre’s Headquarters in the Kingdom of Bahrain – Wednesday 19 December 2018:**

- The representative of the Sultanate of Oman shall be the chairman for the 25th Term of the Board of Directors from 01.01.2019 to 31.12.2019.
- Appointment of the representative of the United Arab Emirates as deputy chairman.
- Approval of the Secretary-General’s proposal that the chairmanship of the Board of Directors Council shall be by rotation (as provided for in the Centre’s Constitution) but in alphabetical order according to the names of the member states of the Board. This is what “rotation” actually means and it is also in line with the provisions of the Charter of the Gulf Cooperation Council.
- Approval of the operational budget of the Centre for financial year 2019. The Centre’s revenue is estimated at BD 555 thousand and the recurring expenses at BD 495 thousand, which means a budgeted surplus of BD (60) thousand or 12% of the total of Section II and III.
- Postponement of the opening ceremony of the Centre’s new building to next year 2019.
- Reviewing the latest developments in respect of the land grant from His Majesty the King. The Kingdom of Bahrain has allocated a plot of land, 15014.1 square meters in area, in Al Rafah area of Sakhir. The Land Registration Directorate has registered this plot in the name of the Government of the Kingdom of Bahrain for the benefit of the Commercial Arbitration Centre of the Gulf Cooperation Council, under Title Deed No. 240884, Case No. 10628/ 2018 dated 18.09.2018.

**Second: Activities of the General Secretariat**

**A. Moving to Dar Al Karar Building:**

At Board meeting No. (63) held on 10 February 2015, the Secretary General presented his views on alternative investment options, other than fixed deposits, for the amount of the BD 660 thousand reserve allocated for the building of the permanent headquarters of the Centre. He explained that the return on fixed deposits does not exceed 1.5% whilst it is not feasible to invest the money in treasury bills (government bonds) with long-term maturities of 20-30 years because the Centre needs to use the money during the coming short period. Instead of these options, the Secretary-General proposed to purchase an administrative building. The Centre can occupy a large part of the building and thus save the amounts that otherwise would have been paid for renting the current premises and to hotels for the rental of training rooms. This means an annual saving of about BD 52 thousand. Furthermore, real estate investments yield an annual return of about 7%, and property prices in the Kingdom of Bahrain are rising every year and thus the value of the investment would be protected.
The Board of Directors agreed in principle to buy a ready-to-use building and finance the cost of purchase from the reserve allocated for the building of the permanent headquarters, general reserves and other cash surpluses. Then Secretary-General, through a circulation letter, suggested to the Board of Directors the purchase of a seven-storey building owned by Inovest BSC (closed), which is being offered for sale for BD 1.5 million. Following serious negotiations by the Secretary-General with the Chief Executive Officer of Inovest the price of the building was reduced to BD 1.2 million. Due to insufficient funds in the accounts of the Centre, the Secretary General traveled to Riyadh on 11 March 2015 on a short visit to the Secretary General of the GCC to explain to him the project in details and show him the supporting documents. The Secretary-General of the GCC agreed to put this matter on the agenda of the Council of Ministers to seek obtain support from the member states. The Al Tasahul Real Estate Centre was commissioned on 11 May 2015 to carry out an evaluation of the building. It presented its report which included an assessment of the value of the land, an area of 616 square metres at BD 55 per square foot, amounting to BD 364,684/-.

The value of the building itself (without the land) with a total built-up area of 3,580.70 square metres is estimated at BD 895,175/-, making the total value of the property BD 1,259,859/300 ,A purchase deposit of BD 200 thousand was paid on 8 June 2015. The GCC Secretary General was informed of this and all other developments as and when they happened. Unfortunately, after 8 months, the Secretary-General of the GCC informed us on 8 November 2015 that it was not possible to place the Centre’s request on the agenda of the GCC Ministerial Council, because the Centre is an independent entity, and that in terms of Article (19) of the Centre’s Constitution, the chambers of commerce and industry in the GCC member States shall equally finance the Centre’s budgets (although the GCC chambers of commerce and industry have stopped supporting the budget of the Centre since 2009).

On 17 November 2015, the Secretary-General paid a quick visit to His Highness Prince Bandar bin Salman Al Saud at his majlis in Riyadh and discussed with him the problem of the inability of the Centre to cover the cost of buying the building and that, for this reason, he will be forced to put a proposal on the agenda of the Board of Directors at its next meeting in Qatar to borrow BD 400 thousand from commercial banks as an interest-bearing (Riba) loan. His Highness expressed his willingness to provide support for the buying the building by offering a non-interest-bearing loan (Qard Hasan) of BD 400 thousand. HH Prince Bandar presented his offer to the Board of Directors on 19 December 2015, and the Board of Directors agreed to accept the loan. At another meeting, the Board approved the recommendation of the Secretary General to appoint Intec Bahrain Company to do the interior design plans. Four specialized firms were requested to submit their offers and the Board of Directors agreed to form a mini committee to analyze the bids and attempt to obtain the lowest cost for implementing the interior design. The committee submitted its report to the Board of Directors, which approved by a circular resolution on 20 February 2017 to award the job to WorldDecor for approximately BD 212 thousand. The Board also approved the cost of furniture, audio and video equipment and supervision and commission expenses, which amounted to approximately BD 102 thousand.

After many difficulties, some due to technical reasons and the other to delays by the contractor in the implementation of the project, the Centre moved to its own fully-owned building, Dar Al Karar Building on Al Istiqlal Highway on 14 October 2018.
B. Official Requirements for the Centre’s Constitution to be Effective in the Sultanate of Oman

To finish this matter which was raised in the Annual Report of 2017, the Secretary-General received a letter from the Omani Minister of Commerce and Industry of 27 November 2018 stating that the Sultanate of Oman had already taken the necessary measures to implement the Centre’s Constitution in the Sultanate of Oman pursuant to Council of Ministers Resolution No. 10/2000 dated 4 April 2000, and therefore the Constitution of the Centre is already in effect in the Sultanate. On 11 December 2018, we wrote to the Secretary General of the Omani Council of Ministers praising the initial positive steps taken to implement the Centre’s Constitution in the Sultanate of Oman. However, we pointed out that there are further steps that need to be taken to ensure the proper implementation of the Centre’s Constitution. The next essential step is to ratify the Constitution of the Centre by a Sultani Decree to be published, together with both the Centre’s Constitution and Arbitration Procedures, in the Omani Official Gazette.

Third: Management of Arbitration Disputes

A. Arbitration Applications:

A party wishing to refer a dispute to arbitration will submit an arbitration request (application) to the General Secretariat of the Centre (Arbitration Secretariat Section). The Secretary General will vet the application to ensure that it meets all the conditions required in an arbitration application as stipulated in Article 9 of the Arbitration Procedures, especially the existence of an arbitration condition or provision in the contract to refer disputes to the Centre. The Centre received twenty-two arbitration applications involving parties from several nationalities. The applications have been examined to ascertain the jurisdiction of the Centre and the clarity of such jurisdiction. Twelve applications have been found to be complete in form and therefore arbitral tribunals had duly been formed in accordance with the legal procedures, and the dispute files were referred to these tribunals. As for the remaining 10 applications, the parties did not yet complete some of the necessary procedures to proceed with the arbitration proceedings.

Chart (1)

Registered Arbitration Applications from 2009 to 2018
Below is a summary of the twelve arbitration applications for which registration procedures have been completed. The files of these cases have been referred to Arbitral Tribunals to begin the arbitration process, as follows:

1. **Dispute No. (108/2018):**
   Dispute between a closed Bahraini joint stock company against a project owner (Bahraini and Saudi nationals) regarding breach of contract obligations (construction of a 23-storey residential building). The contract is governed by Bahrain law, the arbitral tribunal consists of a single arbitrator and arbitration is in Arabic.

2. **Dispute No. (109/2018):**
   Dispute between a closed Bahraini joint stock company against two respondents, a UAE company and a closed Bahraini joint stock company in respect of breach of contract obligations (sale and purchase of a property). The contract is governed by Bahrain law, the arbitral tribunal consists of three arbitrators and arbitration is in Arabic.

3. **Dispute No. (110/2018):**
   Dispute between a Saudi limited liability company against a Saudi company (respondent) in respect of an agreement to develop a piece of land owned by the respondent. The contract is governed by the Saudi law. The arbitral tribunal consists of a single arbitrator and the arbitration is in Arabic.

4. **Dispute No. (111/2018):**
   Dispute between a Bahraini limited liability company against a Bahraini establishment (respondent) in respect of a contract to supply electronic data. The contract is governed by the Bahraini law. The arbitral tribunal consists of a single arbitrator and the arbitration is conducted in English.

5. **Dispute No. (112/2018):**
   Dispute between a closed Bahraini joint stock company (claimant) against two Bahraini single person companies (respondents) in respect of two business sale contracts. The contracts are governed by the Bahraini law. The arbitral tribunal consists of three arbitrators and the arbitration is conducted in Arabic.

6. **Dispute No. (113/2018):**
   Dispute between a closed Bahraini joint stock company (claimant) against a closed Bahraini joint stock company and a closed Bahraini joint stock company (respondents) in respect of a sale contract governed by the Bahraini law. The arbitral tribunal consists of three arbitrators and the arbitration is conducted in Arabic.

7. **Dispute No. (114/2018):**
   Dispute between a closed Bahraini joint stock company (claimant) against a person (respondent) in respect of a lease contract governed by the Bahraini law. The arbitral tribunal consists of three arbitrators and the arbitration is conducted in Arabic.
8. Dispute No. (115/2018):
Dispute between a closed Bahraini joint stock company (claimant) against two persons of Saudi nationality (respondents) in respect of a purchase contract (construction works) governed by the Bahraini law. The arbitral tribunal consists of three arbitrators and arbitration is conducted in Arabic.

Dispute between a closed Bahraini joint stock company (claimant) against two Bahraini single person companies and a Bahraini joint stock company (respondents) in respect of a sale contract governed by the Bahraini law. The arbitral tribunal consists of three arbitrators and the arbitration is conducted in Arabic.

10. Dispute No. (117/2018):
Dispute between a Saudi establishment (claimant) against a Saudi establishment (respondent) in respect of a contract to carry out works governed by the Saudi law. The arbitral tribunal consists of a single arbitrator and the arbitration is conducted in Arabic.

11. Dispute No. (118/2018):
Dispute between a closed Bahraini joint stock company (claimant) against a public joint stock company (respondent) in respect of an undertaking agreement to subscribe to investment in a project which is the purchase of a plot of land, developing its infrastructure and the construction of buildings thereon. The contract is governed by the Bahraini law. The arbitral tribunal consists of three arbitrators and the arbitration is conducted in Arabic.

12. Dispute No. (119/2018):
Dispute between a Saudi establishment (claimant) against a Saudi establishment (respondent) in respect of a contract to provide consulting services governed by the Saudi law. The arbitral tribunal consists of a single arbitrator and arbitration is conducted in Arabic.

Chart (2)
Percentage of Total Number of Arbitration Applications by Nationality of the Parties

- 71%: Total number of Arbitration Applications by Bahraini Companies: 18 amounting to US$ 92 million
- 29%: Total number of Arbitration Applications by Saudi Companies: 4 amounting to US$ 37 million
Table (1)
Value of Disputes Referred to Arbitral Tribunals

Amounts in US$

<table>
<thead>
<tr>
<th>Dispute No.</th>
<th>Date of Registration of Application</th>
<th>Dispute Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>108/2018</td>
<td>11/02/2018</td>
<td>2,243,600</td>
</tr>
<tr>
<td>109/2018</td>
<td>04/03/2018</td>
<td>7,534,167</td>
</tr>
<tr>
<td>110/2018</td>
<td>12/04/2018</td>
<td>20,689,560</td>
</tr>
<tr>
<td>111/2018</td>
<td>25/04/2018</td>
<td>228,100</td>
</tr>
<tr>
<td>112/2018</td>
<td>10/07/2018</td>
<td>2,236,676</td>
</tr>
<tr>
<td>113/2018</td>
<td>10/07/2018</td>
<td>19,991,446</td>
</tr>
<tr>
<td>114/2018</td>
<td>10/07/2018</td>
<td>294,878</td>
</tr>
<tr>
<td>115/2018</td>
<td>10/07/2018</td>
<td>218,332</td>
</tr>
<tr>
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<td>13,022,536</td>
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<tr>
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<td>118/2018</td>
<td>09/12/2018</td>
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<tr>
<td>119/2018</td>
<td>18/12/2018</td>
<td>16,513,777</td>
</tr>
</tbody>
</table>

**Total Value of Disputes** | **98,946,332**
B. Final Arbitration Awards Issued in 2018:

An arbitration award will have a number of effects, including those relating to the arbitral award itself, in that it is binding and enforceable. The other effects relate to the arbitral tribunal in terms of the termination of the arbitral proceedings and the ending of the tribunal’s work except in respect of correcting or clarifying an award. Article (15) of the Constitution and Article (36/1) of the Arbitration Procedure stipulate that “An award passed by a Tribunal pursuant to these proceedings shall be binding upon the two parties and final. It shall be enforceable in the GCC member states once an order is issued for the enforcement thereof by a competent judicial authority”.

The arbitral tribunals have issued the following awards, listed in the order of the date of issuance:

1. Award No. 106/2017
This award was issued on 29.05.2018 by an arbitral tribunal consisting of a single arbitrator. The case involves a Bahraini company (subcontractor) requesting the respondents, two Bahraini companies as a joint venture company (main contractor) be obliged to jointly pay approximately US$ 284 thousand, together with legal interest of 10%, legal expenses and lawyers’ fees. The contract included the supply, installation, commissioning and testing of the equipment that the claimant supplied to a government hospital project. The respondents argued that the case was invalid because of the statute of limitation pursuant to the provision of article 369 of the Civil Code. The arbitral tribunal explained in its award that the statute of limitation relates only to what traders and manufacturers supply to individual persons who do not trade in them (i.e. not traders and for their personal use). This provision has nothing to do with obligations of a commercial nature, and therefore the defence does not stand. The arbitral tribunal, in its award, ordered the respondents to pay an amount of approximately US $ 226 thousand (divided equally between the two) with interest at the rate of 5% from 08.06.2015 until full payment. The respondents were also ordered to pay the appropriate case expenses and expert fees.

2. Award No. 110/2017
This award was issued on 27.08.2018 by an arbitral tribunal consisting of a single arbitrator. The case involves a Saudi company requesting the respondent, a Saudi company, to pay a number of installments that fell due on different dates being the remaining amount of approximately US$ 19 million that it owes in respect of sea dredging works and the filling/reclamation of three plots of land. The arbitral tribunal ruled that the respondent be obliged to pay the amount claimed, together with approximately US$ 275 thousand which represents the arbitration expenses paid in full by the claimant to the Centre. The arbitral tribunal rejected the claimant’s claim of US$ 1.9 million against the respondent on account of material and moral damages it suffered as a result of the respondent’s failure to pay on the due dates.

3. Award No. 105/2017
This award was issued on 11.10.2018 by an arbitral tribunal consisting of a single arbitrator. The case involves a Bahraini limited liability company, claimant, that entered into a subcontract relationship with the respondent, also a Bahraini limited liability company, through two subcontract agreements arising from a main contract relating to the construction of the Bahrain National Theater. The respondent had issued a local purchase order for additional
works, which increased the scope of work by six additional jobs. The claimant said that it had carried out all the work arising from the two subcontracts, including the additional jobs. The claimant said that the project owner, Ministry of Works according to the main contract of the project, issued a certificate of receipt for taking delivery of the project on 26 January 2016 without any reservation in respect of the quality of work. The certificate stated that all the works had been completed on 22 November 2015. The claimant said that it requested the respondent to pay the issued invoices which were approved by the respondent. These invoices were for completed work accepted by the project owner and project consultant. The arbitral tribunal held a hearing to hear the witnesses of the claimant and then a hearing to hear the witnesses of the respondent. The arbitral tribunal issued its award, ordering the respondent to pay to the claimant a sum of approximately US$ 176 thousand, together with legal interest at the rate of 2% from the date of the registration of the arbitration case on 27/07/2017 until full payment. The arbitral tribunal has also ordered the respondent to pay the appropriate arbitration fees and expenses of approximately US$ 17 thousand.

Award No. 104/2017
This award was issued on 09.12.2018 by an arbitral tribunal consisting of three arbitrators. The case involves a Bahraini limited liability company, claimant, being the main developer of an artificial island project located on the waterfront of Manama. It has sold a number of properties on the island to sub-developers under specific terms and conditions, taking into account the special nature of the island project as detailed in the Development Control Regulations (DCR) which is an integral part of the sale contracts concluded between the claimant and respondent. The claimant entered into a pre-sale contract with the respondent (a natural person) that sets the initial obligations of the respondent especially the obligation to construct an 8-storey building within a specified area and in accordance with specific designs determined by the claimant and to complete these works within 30 months from the date of signing the agreement. Under the agreement, the respondent has undertaken to comply with the agreed specifications and to ensure that the construction works are completed on time and that no changes to the specifications shall be made without the written consent of the claimant. The arbitral tribunal obtained an expert report prepared by an accounting expert, then the tribunal set a date to hear the witness of the respondent. The arbitral tribunal, after hearing the pleadings, reviewing the papers and hearing witnesses and deliberation considered that the case was not sufficient to form a sound basis for issuing an award. Hence it decided before it issues its award to appoint an accounting expert to help in respect of the calculation of the consensual compensation. It also inspected the property at the request of the respondent. The case was opened for hearing again in the presence of the original litigants. An engineering expert was then appointed to verify the method of calculating the development fees of the services.

The arbitral tribunal ruled that the respondent pays to claimant approximately US $ 455 thousand in consensual compensation, in addition to approximately US $ 292 thousand in service charges and legal interest at the rate of 3% on the two amounts from the date of the registration of the dispute. The respondent was also ordered to pay all the expenses of the arbitration and approximately US $ 13 thousand for lawyer fees.
Fourth: Registration in Arbitrators’ Roll and Experts’ Register

The Centre’s Constitution provides that an arbitrator must satisfy certain general conditions in order to accept his request for registering in the arbitrators’ roll. The second paragraph of Article (11) stipulates that “An arbitrator shall be a legal practitioner, judge or a person with wide experience and knowledge in commerce, industry or finance. He must be reputed for his good conduct, high integrity and independent views”. Article 12.1 of the Arbitration Procedures restricts the authority of the Secretary General to appoint arbitrators except from among the Centre’s Arbitrators Roll if the parties fail to appoint such arbitrators within the prescribed legal period.

A total number of 236 arbitrators and experts joined the list of arbitrators and experts in 2018, an increase of 25 members from last year 2017, or a growth of 11.85%, in different areas of specialization, mainly engineering followed by law. Chart (3) shows a comparison between the total number of arbitrators registered each year during the period from 2008 to 2018.

Chart (3)
Comparison between the total number of arbitrators and experts registered each year during the period from 2008 to 2018
Arbitrators registered from the Kingdom of Saudi Arabia came in first position on the list of Arbitrators Roll and Experts Register during 2018. Some 116 Saudi arbitrators and 4 experts were registered, representing 50% of the total number of those registered during the year. The Kingdom of Bahrain came second with 60 new arbitrators and 4 experts, then the Sultanate of Oman in the third place with 23 new arbitrators and 2 experts, followed by the United Arab Emirates with 21 new arbitrators and the State of Kuwait with 4 new arbitrators, as shown in Chart (4), which shows a comparison between the total number of arbitrators and experts registered during 2018.

Chart (4)
Number of Arbitrators and Experts Registered in 2018 by Country
Fifth: Training Programmes, Workshops and Conferences

A. Arbitrators Qualification and Development Programme and Specialization Programmes:

1. Professional Certificate in Arbitrators Qualification and Development:

The Centre conducts its own copy-right training programme designed to qualify and develop arbitrators. The programme comprises an orientation stage “The Concept and Legal Nature of Arbitration” followed by five consecutive stages covering all phases of arbitration (the arbitration agreement and guidelines on how to draft it, procedures for administration of arbitration cases, arbitral award: fundamentals and methodology, enforcement or annulment of an arbitral award and finally a mock up practical arbitration case). Demand on this programme is growing in all GCC countries, and it is part of the Centre’s requirements and conditions for registration on the Arbitrators’ Roll.

The programme was passed by 208 participants, an increase of 29% or 47 more participants than 2017. It was implemented in cooperation with and support of:

- Ministry of Justice of Oman – Muscat
- Labour Fund (Tamkeen) – Kingdom of Bahrain
- Riyadh Chamber of Commerce and Industry - Riyadh
- Abu Dhabi Commercial Conciliation and Arbitration Centre - Abu Dhabi
- Saudi Council of Engineers – Jeddah.

2. Engineering Arbitration and Construction Contract in View of FIDIC:

The legal nature of disputes in international construction contracts and model contracts of the International Federation of Consulting Engineers (FIDIC) requires having a mechanism for resolving disputes that may arise between a contractor and an employer. This training programme was enhanced last year by changing the contents of the first stage to make it focus on the legal aspect of arbitration. The programme which was passed by 101 participants consists of three stages as follows:

- Stage 1: Nature of arbitration and the provisions/ clauses of a construction contract
- Stage 2: FIDIC contracts (conditions, claims and settlements)
- Stage 3: Practical workshops on resolving disputes involving building and construction contracts.

This programme was implemented in cooperation with and support of:

- The Labour Fund (Tamkeen) – Kingdom of Bahrain
- Saudi Council of Engineers – Dammam, Riyadh

3. Professional Certificate in Maritime Arbitration Programme:

This program was designed and implemented this year in the Kingdom of Bahrain with the support of the Labour Fund (Tamkeen) and in the Sultanate of Oman in Muscat. The programme which was attended by 71 trainees from GCC countries consists of two stages as follows:

- Stage 1: International agreements for maritime transport contracts and ports
- Stage 2: Marine dispute settlement rules.
4. **Professional Certificate in Arbitration of Stock Market Disputes**

This program was first designed and implemented in 2018. It was implemented in the Kingdom of Bahrain with the support of the Labour Fund (Tamkeen). The programme which was attended by 54 participants from GCC countries consists of two stages as follows:

- **Stage 1:** Concept and nature of arbitration in stock market disputes.
- **Stage 2:** Managing arbitration in stock market disputes.

**B. Workshops:**

**Workshop on Arbitration in Maritime Disputes and Marine Insurance:**

The Centre conducted a training workshop on “Arbitration in Maritime Disputes and Marine Insurance” in cooperation with the Emirates Maritime Arbitration Centre during the period 2-3 May 2018. The workshop was held at the Emirates Arbitration Centre Hall located at the Dubai International Financial Centre and was attended by 35 participants from different GCC countries.

**C. Conferences:**

1. **Centre’s Annual Conference in Salalah:**

Under the patronage of the Omani Minister of Housing, the Centre held its twenty-third annual conference during the period from 31 July to 2 August 2018 in Salalah, the Sultanate of Oman under the theme “Arbitration in Real Estate Development and Construction Disputes (FIDIC) in GCC States”. The conference was attended by more than 150 participants comprising engineers, lawyers, legal experts and academics from the GCC and Arab countries. The 3-day conference was organized in cooperation with the Oman Chamber of Commerce and Industry (OCCI), Dhofar Governorate, with the support and participation of the Saudi Council of Engineers and Dr. Fahad Al-Rifai & Associates Law Firm & Legal Consultancy (Riyadh).

2. **Participation in the 21st Gulf Engineering Forum:**

The Centre took part in the 21st Gulf Engineering Forum which was organized in cooperation with the Bahrain Society of Engineers in the Kingdom of Bahrain. The forum themed “Disputes in Engineering Projects and Resolution Methods” was held under the patronage of His Royal Highness Prince Khalifa Bin Salman Al Khalifa, Prime Minister, on 21 and 22 February 2018 at The Ritz Carlton Bahrain.

The Secretary-General of the Centre delivered a speech at the opening ceremony on behalf of His Highness Prince Dr. Bandar bin Salman bin Mohamed Al Saud, Honorary President of the Centre. In his speech, the Secretary General noted that arbitration is becoming the most used means of resolving engineering disputes. He said that the most significant development in the procedure for the resolution of disputes under international construction contracts in recent years has been the introduction of the “dispute adjudication board” which was adopted by the International Federation of Consulting Engineers (FIDIC) in its Conditions of Contract for Design/Build and Turnkey. The World Bank introduced this system into its Standard Bidding Documents-Procurement of Works in 1995. Previously, it was the consultant engineer who looks into the disputes between the employer and the contractor.

**Sixth: Memoranda of Understanding and Bilateral Cooperation:**

A memorandum of understanding was signed with the Chamber of Commerce and Industry in Al Qassim for cooperation in various fields, especially in the implementation of training programmes in Al Qassim region.