



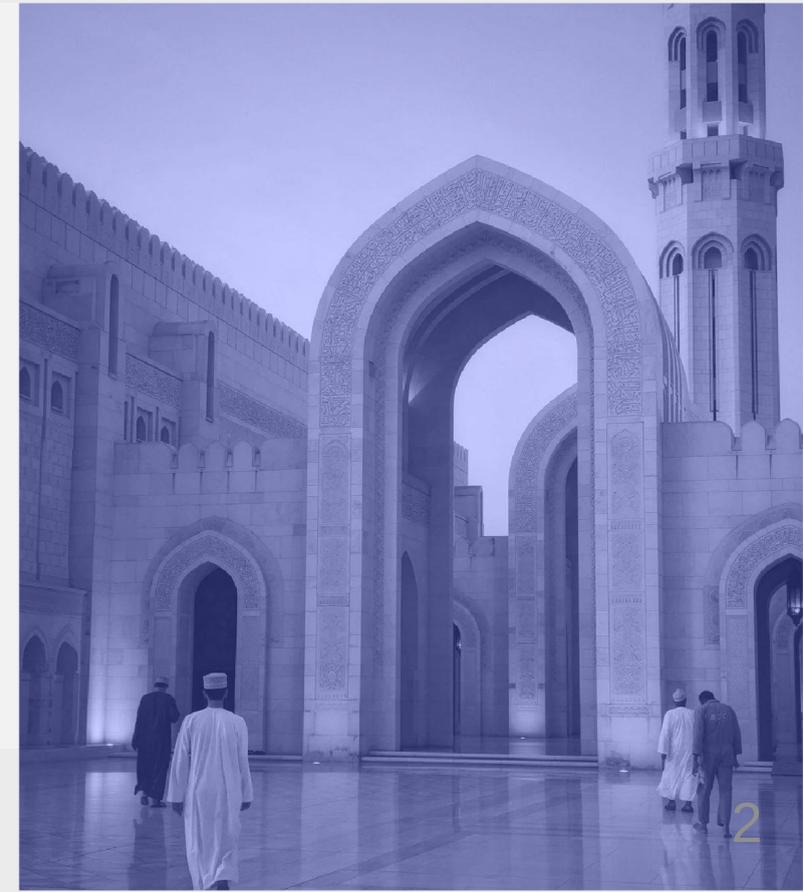
ARBITRATION IN THE SULTANATE OF OMAN

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ARBITRATION LEGAL FRAMEWORK

The Sultanate has increasingly embraced arbitration as a complementary mechanism to litigation, particularly for large infrastructure and investment projects where neutrality, confidentiality, and efficiency are essential. The Omani Arbitration Law, largely influenced by the UNCITRAL Model Law, provides the legislative foundation for arbitration proceedings and reflects Oman's intention to align with international standards.

In addition, Oman is a contracting state to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which ensures that arbitral awards rendered abroad may be recognised and enforced domestically, thereby strengthening investor confidence and supporting international commercial activity.



ARBITRATION LEGAL FRAMEWORK

THE LAW OF ARBITRATION IN CIVIL AND COMMERCIAL DISPUTES ISSUED BY RD 47/97 ("ARBITRATION LAW")

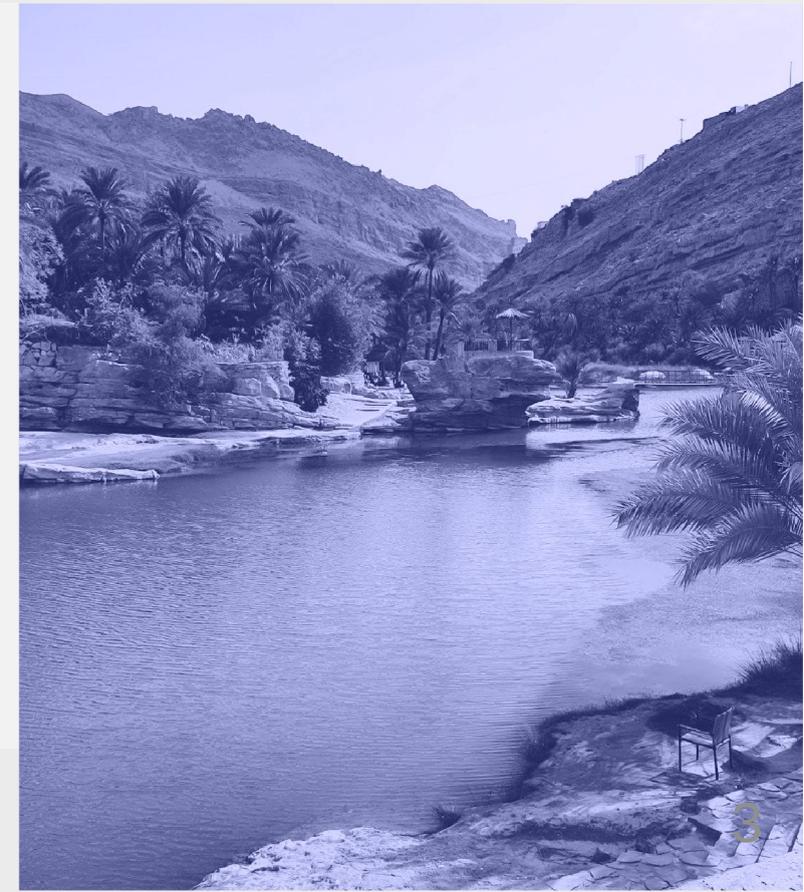
Foundational text of Oman's arbitration procedures, standards and practices.

KEY ASPECTS OF THIS LAW

- PARTIES FREEDOM TO CHOSE APPLICABLE LAW FOR ARBITRATION AND LANGUAGE.
- JURISDICTIONAL AUTHORITY OF THE JUDICIAL AUTHORITY LAW AND THE COURTS OF OMAN.
- Arbitration agreements.
- Tribunal standards and procedures.
- Enforcement of awards.

ARBITRATION IN THE OMANI LEGAL SYSTEM

- Arbitration has been heavily promoted and growing in use as Oman expands its economy and focuses on establishing as a foreign investment hub of the region.
- Legal framework supportive and aims to facilitate arbitration and the enforcement of awards.
- The Civil and Commercial Procedure Law expressly validates the enforcement of foreign awards.



Oman Commercial Arbitration Centre

ESTABLISHED BY ROYAL DECREE 26/2018

Major shift in the handling of arbitration matters in Oman showcasing national commitment to legal modernization and a business-friendly environment

KEY COMPETENCIES OF OCAC

- Providing arbitration, mediation, conciliation and other ADR services.
 - Consultations and necessary services for commercial dispute resolution.
 - Raising awareness of ARD and its importance.
 - Issuing and supervising bulleting and publications of the center.
 - Organising conferences, seminars, lectures and training courses.
- Cooperating with local, regional and international centers and other relevant entities

Why Oman as an Arbitration Seat?



Oman's geopolitical position and diplomatic approach give it a distinctive advantage as a potential arbitration seat in the Middle East. The Sultanate's long-standing policy of political neutrality and balanced regional relations contributes to perceptions of stability, predictability, and impartiality — qualities highly valued by parties selecting a neutral forum for dispute resolution.

From a legal standpoint, Oman combines a civil-law system with modern arbitration legislation aligned with international standards, supported by its accession to the New York Convention. This provides legal certainty and facilitates the recognition and enforcement of arbitral awards, particularly in complex cross-border commercial and infrastructure disputes.

Geographically, Oman's location at the crossroads of the Gulf, Asia, and East Africa enhances its accessibility while allowing it to remain outside the intense competitive dynamics of neighbouring arbitration hubs. Together, these factors position Oman as an increasingly credible and neutral venue for regional and international arbitration.

Arbitration in Construction Contracts

Construction projects inherently involve technical complexity, long execution periods, and multiple stakeholders, making disputes almost inevitable. Standard construction contracts used in Oman, including FIDIC-based contracts and the Omani Standard Conditions of Contract (OSCC), therefore incorporate structured dispute resolution mechanisms designed to manage claims arising from delays, variations, extensions of time, payment disputes, and performance issues.

Arbitration has become the dominant dispute resolution method in these contracts because it allows parties to appoint arbitrators with technical expertise, maintain confidentiality over sensitive commercial matters, and avoid prolonged court litigation. Furthermore, arbitration provides a neutral forum that is particularly attractive in international projects where parties may come from different legal and cultural backgrounds.

The growing reliance on arbitration in Oman reflects a broader international trend toward specialised dispute resolution processes that prioritise efficiency and project continuity over adversarial litigation.

FIDIC VS OSCC APPROACH

Two principal contractual approaches shape dispute management in Oman's construction sector. The first is the FIDIC suite of contracts, particularly the 2017 Red Book, which is widely recognised as an international benchmark for balanced risk allocation and structured dispute avoidance. The second is the 2019 Omani Standard Conditions of Contract, which serves as the primary contractual framework for government projects and reflects local administrative and regulatory priorities.

While both contracts aim to provide mechanisms for managing claims and resolving disputes, they differ significantly in philosophy and structure. FIDIC 2017 emphasises early intervention, collaboration, and dispute avoidance through layered dispute resolution mechanisms. In contrast, OSCC 2019 adopts a more traditional model centred on Engineer determination, reflecting earlier contractual practices where disputes are assessed only after they arise.

Understanding this distinction is essential, as it directly influences project behaviour, claim strategy, and the likelihood of disputes escalating to arbitration.



thank you for your time

ANY QUESTIONS?