

ALTERNATIVE DISPUTE RESOLUTION



As part of our coverage on Alternative Dispute Resolution, *Lawyer Monthly* speaks to Taris Ahmad, Solicitor-Advocate at TA Legal Consultancy. His firm is dedicated to Saudi Arabian transactions and disputes. Operating from Frankfurt, Riyadh and Jeddah, the practice covers corporate law and dispute resolution services in the region. Recent engagements include the heirs of the Saudi Arabian Deputy Assistant Foreign Minister and shareholders in a Saudi Aramco approved engineering company.

As a solicitor practicing in the alternative dispute resolution field, what would you say are the most popular methods of ADR in Saudi Arabia?

Arbitration, English Law, ICC or LIAC London are still the first choice. Yet I observe a gradual move away from London towards DIAC in Dubai. The local Chamber of Commerce in Jeddah and Riyadh also appear busy, but I have not seen any agreements opting for their services.

Why the gradual move away to Dubai?

It is an acceptable compromise between foreign and Saudi parties. Many businesses are present in Dubai and it is just more accessible. Cost, to some extent, is also a factor.

How have the amendments to the arbitration process in form of the New Arbitration Law affected Saudi international arbitrations in recent years?

The new law is a major change. Finally foreign parties have an opportunity to enforce their arbitral awards in Saudi Arabia. It is a real game changer. However, in practice it is still wait-and-see.

What are some of the key challenges?

The new law did not directly address the issue of enforcement. In practice the Saudi enforcement courts still have trouble with enforcing arbitral awards that appear to be in contradiction with Sharia Law. The classic examples are the enforcement of interest payments, damages arising out of non-Sharia compliant transactions or issues surrounding causation and indemnities. Arbitrators are required to be familiar with Saudi law when drafting an award. Otherwise one may find Saudi enforcement courts stalling the enforcement process.



How prevalent would you say is the use of arbitration when compared to other forms of ADR in your jurisdiction?

Arbitration dominates. Mediation still remains underdeveloped. There are no streamlined or formalised mediation procedures or standards. Saudi courts at times recommend parties to opt for mediation, but that process remains informal with considerable scope for improvement.

How has the Saudi Centre for Commercial Arbitration come along?

The Centre still has not opened its doors yet. It seems to have an excellent management and board in place. It has the potential to give arbitration in Saudi Arabia yet another boost.

What type of Saudi disputes are you working on?

At the moment the heirs of the late Deputy Foreign Minister Mansuri and a shareholder dispute of an international foreign joint-venture in Saudi Arabia is keeping me busy.

Given the current political and economic situation of Saudi Arabia, what developments in the legal market do you expect?

I would expect large family businesses to attempt to go public and list on the stock exchange in order to increase mobility. I would also expect an increase in shareholder disputes while businesses are going through restructuring. Here early advice is essential. **LM**

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