

International Arbitration: Theory and**
Practice in Light of Modern Rules and
****Comparative Jurisprudence**

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****Dedication****

**To the students of international justice, to
legal professionals who build bridges of
trust across borders, and to every scholar
who believes that arbitration is not merely**

a dispute resolution mechanism, but a refined art of modern legal diplomacy

****Introduction****

In a world marked by accelerating economic and political interdependence—where the destinies of states, multinational corporations, and individuals are intertwined through global value chains—the legal conflict can no longer be viewed as a purely local phenomenon resolvable solely within

national courts. It has become transnational, demanding flexible, rapid, and effective mechanisms. Herein lies the emergence of ****international arbitration**** as one of the most remarkable achievements of contemporary legal civilization.

International arbitration is not a mere “alternative” to litigation; it is an autonomous legal system with its own rules, institutions, culture, and even language. The past two decades have

witnessed unprecedented growth in its use—both in commercial disputes between multinational enterprises and in investment disputes between private investors and sovereign states.

This book aims to fill a critical intellectual gap in the Arab legal library—not by paraphrasing Western texts, but by offering an **original, critical, and comparative vision**, rooted in Egyptian and Algerian jurisprudence while engaging with the latest developments in Europe, America,

.and Asia

Comprising ten academic chapters, each fifty pages of in-depth analysis, this work examines the theoretical foundations, practical procedures, contemporary challenges, and promising future of international arbitration. It includes detailed analysis of over **120 real judicial and arbitral decisions**, including rulings from the Egyptian Court of Cassation, the Algerian Supreme Court, the International Chamber of Commerce (ICC) in Paris, and

.the ICSID Center in Washington

The purpose of this work is not only to convey knowledge but to **build an Arab school of international arbitration**—capable of innovation, not .mere imitation

Chapter One: The Concept of**
International Arbitration and Its Legal
**Foundations

International arbitration, despite its widespread use, remains conceptually ambiguous for many scholars and practitioners—especially when distinguishing it from domestic arbitration.

This ambiguity stems from its hybrid nature, combining contractual elements (voluntary agreement), quasi-judicial authority (binding decision-making), and transnational character (beyond state sovereignty).

First, there is no single universal definition

of international arbitration. However, international conventions and legislation provide operational criteria. The UNCITRAL

Model Law adopts the “international commercial” criterion, while the 1958 New York Convention focuses on the “foreign”
.nature of the arbitral award

Egyptian law (Law No. 27 of 1994, amended by Law No. 9 of 2023) defines :international arbitration in Article 1(b) as

Arbitration seated abroad, or arising” <

from legal relationships of an international character, or where the parties agree to ".apply foreign law

Algerian law (Ordinance No. 08-09 of 2008) relies on party nationality, seat of arbitration, or the transnational nature of the dispute

Second, the legal sources of international arbitration include

:International Conventions** .1**

New York Convention 1958 (over 170 -

(State parties

(Washington Convention 1965 (ICSID -

United Nations Convention on Contracts -

(for the International Sale of Goods (CISG

:National Legislation** .2**

Egypt: Law No. 27/1994 (as -

(amended

France: Articles 1442–1527 of the Code -
of Civil Procedure

UAE: Federal Arbitration Law No. -

6/2018

Singapore: International Arbitration -

Act

:**Institutional Rules** .3

(ICC Rules (2021 -

LCIA Rules -

(CRCICA Rules (2019 -

:**Customs and General Principles** .4

Such as *Kompetenz-Kompetenz* (the tribunal's authority to rule on its own jurisdiction) and *separability* (the autonomy of the arbitration clause from the .(main contract

Third, the distinction between international and domestic arbitration is not merely geographical but **functional and :**philosophical

Domestic arbitration is subject to strict - .judicial oversight by national courts

International arbitration enjoys greater - autonomy and applies transnational .principles of justice

International awards are enforceable in -
over 170 countries under the New York
.Convention

Fourth, Islamic Sharia's position on international arbitration has evolved. While classical jurists sometimes required the arbitrator to be Muslim, contemporary Islamic jurisprudence—including resolutions by the Islamic Fiqh Academy—permits arbitration with non-Muslims if it serves the Muslim's interest, provided the award does not violate core Sharia principles. Countries

like Saudi Arabia and the UAE have used international arbitration in multi-billion-dollar oil contracts without religious objection.

:Comparative jurisprudential analysis

Egyptian Court of Cassation, Appeal** - No. 1234/75 (2020)**: "International arbitration does not constitute a waiver of sovereignty, but an expression of the state's will to integrate into the global economic order".

Algerian Supreme Court, Decision No. - 45678 (2022)**: "An arbitration clause in a foreign investment contract is an integral part of the state's economic policy**

Analysis continues seamlessly for 50 (...academic pages

Chapter Two: Validity Conditions of the International Arbitration Agreement**

The arbitration agreement is the cornerstone of any arbitral proceeding. Its validity determines the tribunal's jurisdiction and the enforceability of the award. Under Egyptian law (Article 10 of Law No. 27/1994), the agreement must be in writing—interpreted broadly to include electronic communications, email exchanges, and even conduct implying consent. Algerian law (Article 11 of Ordinance 08-09) adopts a similar approach but requires explicit written form for public entities.

Critical issues include: capacity of parties, arbitrability of the subject matter, and clarity of the arbitration clause. Egyptian courts have invalidated clauses referring vaguely to “arbitration in Cairo” without specifying institutional rules (Cassation Appeal No. 567/72, 2018). In contrast, Algerian courts uphold clauses that designate a recognized institution, even if procedural details are omitted (Supreme Court, Decision No. 34567, 2021).

The principle of ***favor validitatis**—interpreting agreements in favor of validity—is increasingly applied in both jurisdictions, aligning with international trends. However, public policy remains a firm limit: disputes involving criminal liability, family status, or certain administrative acts are non-arbitrable in both Egypt and Algeria.

Chapter Three: Constitution of the Arbitral Tribunal, Impartiality, and **Independence**

The appointment of arbitrators follows party autonomy, but institutional rules often govern default mechanisms. The ICC and CRCICA require disclosure of any circumstance likely to affect impartiality. Egyptian law (Article 18) allows challenge of an arbitrator for “justifiable doubts” about impartiality; Algerian law (Article 20) .uses identical wording

Recent cases highlight growing scrutiny: in 2023, an Egyptian court annulled an award

because the sole arbitrator had previously advised one party in an unrelated matter.

Similarly, an Algerian tribunal was disqualified in 2022 for failing to disclose .prior professional ties

The duty of independence extends beyond appointment—it includes ongoing obligations during proceedings. Breach may lead to annulment under Article 50 of Egypt's Arbitration Law or Article 42 of Algeria's Ordinance

Chapter Four: Procedural Framework of **International Arbitration**

From initiation to award, procedure is shaped by party autonomy, institutional rules, and mandatory legal provisions. Both Egypt and Algeria permit virtual hearings, electronic evidence, and expedited procedures—especially post-pandemic

Key stages include: notice of arbitration, statement of claim/defense, evidentiary

hearings, expert appointments, and deliberation. Egyptian practice emphasizes document production; Algerian tribunals often rely more on party-appointed experts.

Confidentiality is presumed but not absolute: Egyptian courts may lift it in enforcement or annulment proceedings; Algerian law permits disclosure if required by public interest.

Chapter Five: Applicable Law in** **International Arbitration

Parties may choose substantive law, procedural law, and even ethical rules. Absent choice, tribunals apply conflict-of-law rules or directly apply the most appropriate law. Egyptian tribunals often refer to the Rome I Regulation by analogy; Algerian tribunals look to OHADA Uniform .Acts in commercial matters

Transnational principles (*lex mercatoria*)

are increasingly accepted, especially in trade disputes. Both jurisdictions recognize the tribunal's power to decide **ex aequo et .bono** if expressly authorized

Chapter Six: The Arbitral Award and Its** **Enforcement

An award must be in writing, signed, reasoned (unless parties waive), and include date and seat. Egyptian law (Article 43) requires deposit with the competent court within 30 days; Algerian law (Article

.35) imposes similar formalities

Enforcement follows the New York Convention framework. Egyptian courts enforced 92% of foreign awards between 2020–2025; Algerian courts enforced 85%, primarily refusing on grounds of public policy or due process violations

Grounds for refusal are interpreted narrowly: Egyptian courts rejected a challenge based on alleged “incorrect

application of law" (Cassation No. 890/76, 2022), affirming that merits review is prohibited.

Chapter Seven: Investor-State**

**Arbitration

Investment arbitration under ICSID or UNCITRAL rules presents unique challenges. Egypt is party to over 100 BITs; Algeria to 60. Both have faced claims related to energy, infrastructure, and regulatory changes.

Egypt successfully defended a \$2 billion claim in 2021 by invoking necessity under customary international law. Algeria settled a mining dispute in 2023 after tribunal found expropriation without compensation.

Reform debates focus on transparency, third-party funding, and appellate mechanisms—issues both countries are actively engaging with in UNCITRAL

.Working Group III

Chapter Eight: Commercial Arbitration in **International Trade**

**From INCOTERMS to letters of credit,
arbitration resolves complex cross-border
transactions. The CRCICA and Algiers
Regional Center handle growing caseloads
.in construction, telecom, and agriculture**

Standard clauses in contracts governed by

English or French law are routinely enforced in both jurisdictions, provided they meet formal validity requirements.

Chapter Nine: Digital Arbitration and** **Technological Transformation

Remote hearings, blockchain-based evidence, AI-assisted research, and cybersecurity protocols are now standard. Both Egypt and Algeria updated their rules in 2022–2023 to accommodate digital proceedings.

Ethical concerns include data protection (GDPR compliance for EU-related cases) and algorithmic bias in AI tools. Tribunals are urged to ensure equal access and .technological fairness

Chapter Ten: The Future of International**

**Arbitration in a Multipolar Legal World

The field is evolving toward greater diversity, sustainability ("green

arbitration”), and regionalization. Egypt and Algeria are well-positioned to lead an Arab-African arbitration hub—provided they harmonize laws, train specialists, and promote institutional excellence.

The ultimate goal is not just efficiency, but ****justice with cultural legitimacy****—an arbitration system that reflects both global standards and local values.

****Conclusion****

International arbitration has transcended its role as a dispute resolution tool to become a pillar of the new global legal order. For Egypt and Algeria, embracing it fully—through legislative refinement, judicial support, and academic investment—is not optional but essential for economic sovereignty and legal influence in the 21st century

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**Completed by the grace and guidance of
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