

**Arbitration Act 1996 (of England),  
1996 CHAPTER 23 [17th June 1996]**

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## Contents

# **Arbitration Act 1996 (of England) - 1996 CHAPTER 23 [17th June 1996]**

## **[Preamble]**

An Act to restate and improve the law relating to arbitration pursuant to an arbitration agreement; to make other provision relating to arbitration and arbitration awards; and for connected purposes.

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows: -

## **PART I - ARBITRATION PURSUANT TO AN ARBITRATION AGREEMENT**

### **Introductory**

#### **Section 1. - General principles.**

The provisions of this Part are founded on the following principles, and shall be construed accordingly -

(a) the object of arbitration is to obtain the fair resolution of disputes by an impartial tribunal without unnecessary delay or expense;

(b) the parties should be free to agree how their disputes are resolved, subject only to such safeguards as are necessary in the public interest;

(c) in matters governed by this Part the court should not intervene except as provided by this Part.

#### **Section 2. - Scope of application of provisions.**

(1) The provisions of this Part apply where the seat of the arbitration is in England and Wales or Northern Ireland.

(2) The following sections apply even if the seat of the arbitration is outside England and Wales or Northern Ireland or no seat has been designated or determined -

(a) sections 9 to 11 (stay of legal proceedings, &c.), and

(b) section 66 (enforcement of arbitral awards).

(3) The powers conferred by the following sections apply even if the seat of the arbitration is outside England and Wales or Northern Ireland or no seat has been designated or determined -

(a) section 43 (securing the attendance of witnesses), and 17

(b) section 44 (court powers exercisable in support of arbitral proceedings); 18

but the court may refuse to exercise any such power if, in the opinion of the court, the 19  
fact that the seat of the arbitration is outside England and Wales or Northern Ireland, or  
that when designated or determined the seat is likely to be outside England and Wales  
or Northern Ireland, makes it inappropriate to do so.

(4) The court may exercise a power conferred by any provision of this Part not men- 20  
tioned in subsection (2) or (3) for the purpose of supporting the arbitral process where

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(a) no seat of the arbitration has been designated or determined, and 21

(b) by reason of a connection with England and Wales or Northern Ireland the court is 22  
satisfied that it is appropriate to do so.

(5) Section 7 (separability of arbitration agreement) and section 8 (death of a party) 23  
apply where the law applicable to the arbitration agreement is the law of England and  
Wales or Northern Ireland even if the seat of the arbitration is outside England and  
Wales or Northern Ireland or has not been designated or determined.

**Section 3. - The seat of the arbitration.** 24

In this Part“the seat of the arbitration” means the juridical seat of the arbitration desig- 25  
nated -

(a) by the parties to the arbitration agreement, or 26

(b) by any arbitral or other institution or person vested by the parties with powers in that 27  
regard, or

(c) by the arbitral tribunal if so authorised by the parties, 28

or determined, in the absence of any such designation, having regard to the parties' 29  
agreement and all the relevant circumstances.

**Section 4. - Mandatory and non-mandatory provisions.** 30

(1) The mandatory provisions of this Part are listed in Schedule 1 and have effect 31  
notwithstanding any agreement to the contrary.

(2) The other provisions of this Part (the “non-mandatory provisions”) allow the parties 32  
to make their own arrangements by agreement but provide rules which apply in the  
absence of such agreement.

(3) The parties may make such arrangements by agreeing to the application of institu- 33  
tional rules or providing any other means by which a matter may be decided.

(4) It is immaterial whether or not the law applicable to the parties' agreement is the law 34

of England and Wales or, as the case may be, Northern Ireland.

(5) The choice of a law other than the law of England and Wales or Northern Ireland as the applicable law in respect of a matter provided for by a non-mandatory provision of this Part is equivalent to an agreement making provision about that matter. For this purpose an applicable law determined in accordance with the parties' agreement, or which is objectively determined in the absence of any express or implied choice, shall be treated as chosen by the parties. 35

## **Section 5. - Agreements to be in writing.** 36

(1) The provisions of this Part apply only where the arbitration agreement is in writing, and any other agreement between the parties as to any matter is effective for the purposes of this Part only if in writing. The expressions "agreement", "agree" and "agreed" shall be construed accordingly. 37

(2) There is an agreement in writing - 38

(a) if the agreement is made in writing (whether or not it is signed by the parties), 39

(b) if the agreement is made by exchange of communications in writing, or 40

(c) if the agreement is evidenced in writing. 41

(3) Where parties agree otherwise than in writing by reference to terms which are in writing, they make an agreement in writing. 42

(4) An agreement is evidenced in writing if an agreement made otherwise than in writing is recorded by one of the parties, or by a third party, with the authority of the parties to the agreement. 43

(5) An exchange of written submissions in arbitral or legal proceedings in which the existence of an agreement otherwise than in writing is alleged by one party against another party and not denied by the other party in his response constitutes as between those parties an agreement in writing to the effect alleged. 44

(6) References in this Part to anything being written or in writing include its being recorded by any means. 45

## **Definition of arbitration agreement.** 46

### **Section 6. - The arbitration agreement** 47

(1) In this Part an "arbitration agreement" means an agreement to submit to arbitration present or future disputes (whether they are contractual or not). 48

(2) The reference in an agreement to a written form of arbitration clause or to a document containing an arbitration clause constitutes an arbitration agreement if the reference is such as to make that clause part of the agreement. 49

**Section 7. - Separability of arbitration agreement.**

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Unless otherwise agreed by the parties, an arbitration agreement which forms or was intended to form part of another agreement (whether or not in writing) shall not be regarded as invalid, non-existent or ineffective because that other agreement is invalid, or did not come into existence or has become ineffective, and it shall for that purpose be treated as a distinct agreement.

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**Section 8. - Whether agreement discharged by death of a party.**

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(1) Unless otherwise agreed by the parties, an arbitration agreement is not discharged by the death of a party and may be enforced by or against the personal representatives of that party.

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(2) Subsection (1) does not affect the operation of any enactment or rule of law by virtue of which a substantive right or obligation is extinguished by death.

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**Stay of legal proceedings.**

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**Section 9. - Stay of legal proceedings**

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(1) A party to an arbitration agreement against whom legal proceedings are brought (whether by way of claim or counterclaim) in respect of a matter which under the agreement is to be referred to arbitration may (upon notice to the other parties to the proceedings) apply to the court in which the proceedings have been brought to stay the proceedings so far as they concern that matter.

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(2) An application may be made notwithstanding that the matter is to be referred to arbitration only after the exhaustion of other dispute resolution procedures.

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(3) An application may not be made by a person before taking the appropriate procedural step (if any) to acknowledge the legal proceedings against him or after he has taken any step in those proceedings to answer the substantive claim.

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(4) On an application under this section the court shall grant a stay unless satisfied that the arbitration agreement is null and void, inoperative, or incapable of being performed.

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(5) If the court refuses to stay the legal proceedings, any provision that an award is a condition precedent to the bringing of legal proceedings in respect of any matter is of no effect in relation to those proceedings.

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**Section 10. - Reference of interpleader issue to arbitration.**

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(1) Where in legal proceedings relief by way of interpleader is granted and any issue between the claimants is one in respect of which there is an arbitration agreement

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