

The Arbitration Act 2025: Main Areas of the Reform Process and its Practicality for Insurance

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Abstract

This article discusses the reform project of the English Law Commission, and the main reforms introduced in the Arbitration Act 2025. It also evaluates the practical effect of the reform for insurance law and policyholders who may resort to arbitration. It also provides an overall critical evaluation of the reform project and the lessons to be learned for other jurisdictions. In particular, this article will examine the arbitration law reform consultation recently launched in Singapore. In March 2025, the Law Ministry launched the consultation with a view to also potentially alter its arbitration law, the Singapore 1995 International Arbitration Act.

1. The Arbitration Law Reform Project of the English Law Commission

The arbitration law reform project was initiated in 2021, and its scope was to investigate whether a law reform was needed in the nearly 30 years old Arbitration Act 1996 to ensure that it remained effective and fit for purpose and continued to support the eminence of London as a preferred global arbitration centre. The two consultations that ensued, sought the views of various stakeholders in the arbitration arena as to whether any changes were necessary. In the first consultation¹ the Law Commission asked if there were any additional topics to consider beyond those discussed in the Arbitration Act 1996; from this consultation it became clear that there was a need to explore how to determine which law governs the arbitration agreement. The second consultation paper² released in March 2023 outlined the (current at the time) law regarding the governing law of arbitration agreements, proposed potential reforms and revisited two controversial topics from the first consultation, i.e., challenges to awards under section 67 due to lack of tribunal jurisdiction and issues of discrimination in arbitral appointments.³ Following the two consultation papers, the Law Commission

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¹ Law Commission, 'Review of the Arbitration Act 1996', (2023) Consultation Paper 257, September 2022, <https://www.lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>. Accessed 25 April 2025.

² Law Commission, 'Review of the Arbitration Act 1996', (2023) Consultation Paper 258, March 2023, <https://www.lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>. Accessed 25 April 2025.

³ Law Commission, 'Review of the Arbitration Act 1996: Final report and Bill', (2023), Law Com No 413, <https://www.lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>. Accessed 25 April 2025.

released its Report on 5 September 2023 and a draft Arbitration Bill.⁴ The Bill passed with unwavering support, which came as no surprise given the fact that around 5,000 arbitrations are conducted in England annually and the fees earned are a considerable boost for the economy, received Royal Assent on 24 February 2025, and is awaiting to come into force at a later date, as soon as this is practicable.⁵ Section 17 of the Arbitration Act 2025 states in relation to Commencement and transitional period that this section (i.e., section 17) and sections 16 and 18 come into force on the day on which the Act is passed, and that the rest of the Arbitration Act 2025 will come into force on such day as the Secretary of State may by regulations appoint.⁶ Specifically, the UK government has indicated that there will be a transition period to ensure smooth implementation. In the meantime, arbitrators and businesses should review the new provisions and their impact on arbitration agreements.⁷ Until then, it does not apply to ongoing arbitrations or related English court proceedings. It will apply to arbitrations and related court proceedings commencing after the date of its entry into force.⁸ For comparison, the 1996 Act received Royal Assent on 17 June 1996 but came into force seven months later, on 31 January 1997, via The Arbitration Act 1996 (Commencement No.1) Order 1996.⁹

1.1. The Main Areas of Reform

1.1.1. Applicable / Governing Law

Prior to the arbitration law reform, the law governing an arbitration agreement was determined by the law of the underlying contract, unless specified otherwise. The proposition that in the absence of an express choice the law applicable to the arbitration clause should - by implication - follow the law governing the substantive contract had been discussed at length by the Supreme Court in *Enka Insaat ve Sanayi AS v OOO "Insurance Company Chubb"*¹⁰ and this was the majority's view. Within the law reform of the arbitration law, such a presumption was ousted in favour of the law of the seat where the law of the seat so provided or where there would be a risk that the arbitration clause would be ineffective under the law governing the contract. Following the reform process consultations, the position adopted was that the law should be altered so that the law applicable to the arbitration clause would follow the law of the seat for reasons such as a) the fact that in many arbitrations - with their seat in England - the law applicable to the arbitration clause would be a

⁴ UK Parliament, House of Commons, 'Arbitration Bill [HL] 2024-25, Research Briefing', (2025), <https://researchbriefings.files.parliament.uk/documents/CBP-10134/CBP-10134.pdf> Accessed 04 July 2025

⁵ R. Merkin, 'Reform of arbitration law: the Arbitration Act 2025', *Arbitration Law Monthly*, 3 March 2025, 1-14, 1.

⁶ Arbitration Act 2025, section 17 17(4) (Commencement and Transitional Provision) of the 2025 Act), <https://www.legislation.gov.uk/ukpga/2025/4/2025-02-24/data.html#section-17> Accessed 04 July 2025

⁷ D. Dosani, 'The Arbitration Act 2025: Key reforms and their impact on international arbitration in the UK', Lincoln Rowe, <https://lincolnandrowe.com/2025/04/23/the-arbitration-act-2025/> Accessed 04 July 2025, Accessed 04 July 2025

⁸ Arbitration Act 2025, section 17 17(4) (Commencement and Transitional Provision) of the 2025 Act), <https://www.legislation.gov.uk/ukpga/2025/4/2025-02-24/data.html#section-17>, Accessed 04 July 2025

⁹ The Arbitration Act 1996 (Commencement No.1) Order 1996, <https://www.legislation.gov.uk/uksi/1996/3146/made> Accessed 04 July 2025

¹⁰ [2020] 2 Lloyd's Rep 449.

foreign law not as supportive of arbitration as English law and one which would not recognise the concept of separability, b) the fact that non-mandatory provisions of the 1996 Act applicable to substantive matters would be disapplied, and finally c) the fact that the *Enka Insaat ve Sanayi AS v OOO "Insurance Company Chubb"*¹¹ approach was complex and unpredictable. Hence, under the Arbitration Act 2025, section 1 (6A) (1) (b), in the absence of an explicit agreement, the law of the arbitration seat will apply to the arbitration agreement. This change represents a significant shift because even if the parties choose a specific law for the underlying contract, it does not automatically extend to the arbitration agreement itself. Under the old regime parties were often faced with a situation whereby contracts under dispute were governed by non-English law, had a designated arbitral seat in London, however their arbitration agreement was not governed by English law. This resulted in uncertainty and often deprived parties of the full protection and support available under English law.¹²

1.1.2. Jurisdictional Challenges

The Arbitration Act 2025 in section 67(3B) - (3D),¹³ limits the scope to challenge an award on jurisdictional grounds and does not admit objections or evidence not previously raised and submitted to the arbitral tribunal, or rehear previously presented evidence, except in the case where this serves the interests of justice. This reform strengthens and supports the finality of arbitral awards. In effect, under the Arbitration Act 2025, section 67(3B) - (3D),¹⁴ the scope for challenging arbitral awards on jurisdictional grounds has been significantly curtailed. The reform emphasizes that any jurisdictional objection must be raised during the arbitral proceedings. Hence, if a party believes the arbitral tribunal lacks jurisdiction, it must raise those concerns at the time, with supporting evidence, before the tribunal makes its award. As per the provision set out in section 67(3B) - (3D) of the Arbitration Act 2025,¹⁵ Courts must not admit new grounds or new evidence in a jurisdictional challenge if they were not raised during the arbitration, nor can courts rehear evidence already considered by the arbitral tribunal. The only permitted exceptions are: if the new evidence could not have been discovered with reasonable diligence, or if it is necessary to admit the evidence or rehear the matter in the interests of justice.¹⁶ While the scope has been narrowed, the following grounds for challenge under the Arbitration Act 2025 remain permissible, subject to the constraints in the updated section 67 of the Arbitration Act 2025: a) timely objection during arbitration: if the party raised the jurisdictional issue properly before or during the arbitration, it may still be pursued under section 67(1) of the Arbitration Act 2025; b) lack of a valid arbitration agreement: challenges based on fraud, forgery, coercion, or other defects that render the arbitration agreement invalid or void ab initio; c) tribunal exceeded

¹¹ [2020] 2 Lloyd's Rep 449.

¹² M King, 'Arbitration Act 2025 – What policyholders can expect', News, Fenchurch Law, Singapore, 11 April 2025, <https://fenchurchlaw.com/arbitration-act-2025-what-policyholders-can-expect/>, accessed 26 May 2025.

¹³ <https://www.legislation.gov.uk/ukpga/2025/4> Accessed 04 July 2025

¹⁴ <https://www.legislation.gov.uk/ukpga/2025/4> Accessed 04 July 2025

¹⁵ <https://www.legislation.gov.uk/ukpga/2025/4> Accessed 04 July 2025

¹⁶ This imposes a strict procedural threshold, reinforcing the principle that arbitral decisions are to be final and binding. The reform seeks to enhance efficiency, certainty, and to avoid strategic post-award litigation.

its jurisdiction, e.g., where the tribunal decides on matters outside the scope of the agreement or grants remedies not authorized by the parties; d) serious procedural irregularity: as per section 68, if a jurisdictional defect results in substantial injustice due to procedural irregularity (e.g., breach of natural justice); e) interests of justice exception: only in exceptional cases, courts may consider new material or revisit issues under section 67(3D) of the Arbitration Act 2025 if doing so is essential to uphold justice.¹⁷ The Arbitration Act 2025 simplifies the process for challenging an arbitral tribunal's substantive jurisdiction in arbitrations seated in England & Wales and Northern Ireland by stating that in cases where the tribunal has already ruled on its jurisdiction, and the objecting party participated in the process, then any subsequent challenge to an award under section 67 of the Arbitration Act 1996 (i.e., due to a lack of substantive jurisdiction) will now be by way of review only and not a full rehearing. This reform is aiming to reduce the risk of unfair or wasteful repetition that can potentially result from a full rehearing, as the ability to introduce new arguments or evidence, or have old evidence reheard, is limited to exceptional situations only. It also clarifies that the right under section 32 of the Arbitration Act 1996 to ask the court to decide the question of the tribunal's jurisdiction is available only if the tribunal has not already ruled on its own jurisdiction. The idea is to delineate more clearly the two separate tracks, under section 67 and section 32, for making a jurisdictional challenge.¹⁸

1.1.3. Arbitrator's Duty of Disclosure

The Arbitration Act 2025, section 2, codifies the common law duty of an arbitrator to disclose to the parties any circumstances which reasonably lead to justifiable doubts as to their impartiality. It applies prior to the arbitrator's appointment and serves as a continuing duty which also applies after the arbitrator's appointment. Where an arbitrator is appointed by someone other than the parties, the arbitrator may need to repeat their disclosure to the parties upon appointment. The duty extends to circumstances of which the arbitrator is aware, and of which they ought reasonably to be aware. Additionally, inserted section 23A is a mandatory provision and the parties cannot agree to dispense with the duty of disclosure.¹⁹

The Arbitration Act 1996, section 33, imposed a duty of impartiality on arbitrators. Additionally, a duty of disclosure was recognised by the Supreme Court in *Halliburton Co v Chubb Bermuda Insurance Ltd*²⁰ laid down the requirement for arbitral disclosure of potential conflicts of interest. Following the judgment in *Halliburton Co v Chubb Bermuda Insurance Ltd*²¹ the Law Commission recommended the codification of

¹⁷ R. Merkin, 'Reform of arbitration law: the Arbitration Act 2025', *Arbitration Law Monthly*, 3 March 2025, 1-14, 4-5.

¹⁸ P. Rosher, L. Hart, J. Fong, J. Tsang, 'Key changes introduced by the Arbitration Act 2025: (4) challenging the substantive jurisdiction of tribunals, 13 March 2025 Reed Smith Client Alert, <https://www.reedsmith.com/en/perspectives/2025/03/key-changes-arbitration-act-2025-4-substantive-jurisdiction-tribunals>. Accessed 04 July 2025.

¹⁹ Arbitration Act 2025, Explanatory Notes, Commentary on provisions of Act, The arbitral tribunal, Section 2: Impartiality: duty of disclosure, <https://www.legislation.gov.uk/ukpga/2025/4/notes/division/6/index.htm> Accessed 04 July 2025.

²⁰ [2021] 1 Lloyd's Rep 1.

²¹ [2021] 1 Lloyd's Rep 1.

the duty to disclose potential conflicts of interest in the interest of the promotion of certainty and stability in arbitration. Section 2 of the Arbitration Act 2025 codifies the general duty of disclosure as articulated in *Halliburton Co v Chubb Bermuda Insurance Ltd*²². Section 2 of the Arbitration Act 2025 requires an arbitrator to disclose circumstances that might reasonably give rise to justifiable doubts as to their impartiality. It applies prior to the arbitrator's appointment, when they are being approached with a view to appointment. It is a continuing duty which also applies after their appointment. Where an arbitrator is appointed by someone other than the parties, the arbitrator may need to repeat their disclosure to the parties upon appointment. The duty extends to circumstances of which the arbitrator is aware, and of which they ought reasonably to be aware. In addition, the inserted section 23A is a mandatory provision (like the duty of impartiality in section 33 of the 1996 Act); the parties cannot agree to dispense with the duty of disclosure.²³

Following *Halliburton Co v Chubb Bermuda Insurance Ltd*²⁴, the decision in *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*,²⁵ though not directly arising in an arbitrator context, parallels *Halliburton* by highlighting the importance of perceived fairness and clarity. In *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*²⁶, the Court of Appeal found that Kajima's absence from the Liaison Committee, their lack of ability to see documents and make representations, together with the Liaison Committee's inability to resolve a dispute amicably or provide a decision binding on Kajima made it "fundamentally flawed". The Court found that the parties making up the Liaison Committee had interests contrary to Kajima's, resulting inevitably in actual or apparent bias in any dispute resolution procedure.²⁷ A Liaison Committee with potential "actual or perceived bias" underscored the risk of apparent bias. The decision emphasizes that obligations needing clarity should be evaluated through the lens of a fair-minded, informed observer, echoing the objective test for impartiality established in *Halliburton Co v Chubb Bermuda Insurance Ltd*.²⁸

The case of *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*²⁹ is significant in light of *Halliburton Co v Chubb Bermuda Insurance Ltd*³⁰ because it applies principles from *Halliburton Co v*

²² [2021] 1 Lloyd's Rep 1.

²³ Arbitration Act 2025, Explanatory Notes, Commentary on provisions of Act, The arbitral tribunal, Section 2: Impartiality: duty of disclosure, <https://www.legislation.gov.uk/ukpga/2025/4/notes/division/6/index.htm> Accessed 04 July 2025.

²⁴ [2021] 1 Lloyd's Rep 1.

²⁵ [2023] EWCA Civ 292.

²⁶ [2023] EWCA Civ 292.

²⁷ RPC, 'Court of Appeal considers key requirements for an enforceable dispute resolution clause', 7.7.2023, <https://www.rpclegal.com/snapshots/commercial-cases/summer-2023/court-of-appeal-considers-key-requirements-for-an-enforceable-dispute-resolution-clause/> Accessed 04 July 2025

²⁸ [2021] 1 Lloyd's Rep 1.

²⁹ [2023] EWCA Civ 292.

³⁰ [2021] 1 Lloyd's Rep 1.

*Chubb Bermuda Insurance Ltd*³¹, particularly concerning fairness and perceived bias in dispute resolution. In *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*³², first, the court emphasized the importance of the fair-minded and informed observer. The mere fact that the Liaison Committee which was designed to resolve disputes excluded Kajima from representation, would appear as biased and inherently unfair to a fair-minded observer, closely mirroring the test established in *Halliburton Co v Chubb Bermuda Insurance Ltd*³³ where even the appearance of bias can undermine confidence in the process. Second, the decision in *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*³⁴ underlined the continuing duty for clarity in contractual dispute resolution procedures. It clearly established that it is not enough for a clause to appear valid at the outset, it must remain so throughout the dispute resolution process. In *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*³⁵ the dispute resolution clause was vague and failed to define key elements such as who was bound by its decisions, when the process ended, and how parties were to engage. Finally, *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*³⁶ reinforced the idea that the appearance of bias matters. Even without proven actual bias, the court found that a process which excludes one party, lacks transparency, or appears imbalanced can be discredited. Just like in *Halliburton Co v Chubb Bermuda Insurance Ltd*³⁷, structural unfairness is enough to raise justifiable doubts and invalidate the mechanism. In sum, *Kajima Construction Europe (UK) Ltd v Children's Ark Partnership Ltd*³⁸ extended the legacy of *Halliburton Co v Chubb Bermuda Insurance Ltd*³⁹ by applying its impartiality standards also beyond arbitration, yet reinforcing that fairness must be visible, objective, and continuous. Both decisions are likely to inform how the courts will interpret s.2 of the Arbitration Act 2025, particularly in shaping a robust and practical understanding of an arbitrator's duty of disclosure. As the courts apply these precedents, the emphasis on transparency, impartiality, and procedural fairness will serve to uphold confidence in the integrity of arbitration processes under the new legislative framework.

1.1.4. Emergency Arbitrators

The Arbitration Act 2025 empowers the institution of emergency arbitrators. Clause 8 of the 2025 Act extends the enforcement mechanisms available to regular arbitrators to emergency arbitrators, hence reinforcing the certainty as to the enforceability by the courts of final awards which are made by an emergency arbitrator.

³¹ [2021] 1 Lloyd's Rep 1.

³² [2023] EWCA Civ 292.

³³ [2021] 1 Lloyd's Rep 1.

³⁴ [2023] EWCA Civ 292.

³⁵ [2023] EWCA Civ 292.

³⁶ [2023] EWCA Civ 292.

³⁷ [2021] 1 Lloyd's Rep 1.

³⁸ [2023] EWCA Civ 292.

³⁹ [2021] 1 Lloyd's Rep 1.

1.1.5. Summary Dismissal

The Arbitration Act 2025 introduces section 39A to the 1996 Act, authorizing arbitrators to summarily dismiss a claim or issue or defence that has no real prospect of success (section 39A(1)) in the interest of the expedition of the arbitral proceedings (section 39A(2)), subject to allowing the parties the opportunity to make representations to the tribunal (section 39A(2)), hence resulting in the saving of time and costs for the parties involved. Arbitrators may, upon application by a party, make a summary award if they are satisfied that the opposing party has no real prospect of success on the issue, applying the same legal threshold used in court proceedings in England and Wales. The procedure for such summary determination is not prescribed by section 7 of the Act; instead, it is left to the arbitrator's discretion on a case-by-case basis, with section 39A(3) requiring that the parties be given a reasonable opportunity to make representations about the procedure to be adopted.

1.1.6. Arbitrator Immunity

The Arbitration Act 2025 reinforces the immunity status quo of the arbitrators and their independence by explicitly protecting them from liability for resignations and applications for their removal, unless the resignation is unreasonable (section 29(4)) or are removed because they have acted in bad faith (section 24(5A)).⁴⁰

1.1.7. Challenge of an award

The Arbitration Act 2025 did not alter the status quo regarding appeals in arbitration awards under section 69 of the Arbitration Act 1996. It was felt that the appeals regime as per section 69 of the Arbitration Act 1996 is a good law and therefore has been pertained, also as per the Law Commission's final report. However, there has been a change regarding appeals in arbitration, i.e., in section 67 of the Arbitration Act 2025. The Arbitration Act 2025 revised section 67 of the AA 1996 which became Clause 11 to ensure that no new evidence or new arguments can be made, through insertion of Rules of Court.

An exception was proposed for, such that a new ground for a challenge may be raised if the objecting party did not know or could not with reasonable diligence have discovered the grounds for objection. Awards can be challenged under section 67 of the AA 1996 on the basis that the arbitral tribunal did not have jurisdiction. Clause 10 amends section 67 to provide the remedies of remittance for reconsideration and declaring the award to be of no effect. This renders section 67 consistent with the remedies available under section 68 and section 69 and with the assumption in the case law that these remedies were intended to be available. Clause 11 amends section 67 to confer powers for rules of court to provide that where an application is made under

⁴⁰ Aceris Law LLC, 'English Arbitration Act 2025: Key Reforms', 9.3.2025, <https://www.acerislaw.com/english-arbitration-act-2025-key-reforms/> accessed 26 May 2025.

section 67 by a party that took part in the arbitration, that relates to an objection on which the tribunal has already ruled, there will be no full rehearing contrary to *Dallah v. Pakistan*⁴¹ where the Supreme Court ruled that even where the question of the tribunal's jurisdiction has been fully debated before the tribunal, a challenge under section 67 is a full rehearing of the court and that the only exception is unless it would have been reasonably possible to put such objections before the tribunal, but even then evidence would not be reheard by the court.⁴² The new restricted approach to objections or evidence positively serves to limit the broad discretion on evidence and challenges which was witnessed in *Diag Human and Stava v. Czech Republic*.⁴³

2. The Impact of The Arbitration Law Reform for Insurance

The changes introduced reinforce the status quo of arbitration as a robust alternative dispute resolution method and the enforceability of arbitral awards. In insurance, where claims are referred to arbitration because of disputed and complex coverage issues, the above changes which reinforce the finality of the arbitral award as well as guaranteeing a forum and applicable law able to support arbitration, promote the expedient resolution of insurance disputes. The Arbitration Act 2025 refines but does not revolutionise the Arbitration Act 1996. The reformed Arbitration Act 2025 contains rules and powers to encourage parties to resolve insurance disputes through arbitration, rather than through litigation.⁴⁴

Lately we have witnessed an exponential growth of claims, and in particular claims under casualty and liability policies written under the so-called Bermuda Form, which are often resolved through arbitration. As arbitrations proceedings and awards are frequently kept confidential, the effect of the arbitration reforms is important to note in light of their impact on the arbitral and judicial development of insurance law doctrines and principles.

It is therefore noteworthy that there were sections in relation to which reforms were considered but which were not reformed. For example, in the case of confidentiality, which was not reformed, the consultation concluded that the existing default position denoting that arbitrations are, by default, private and confidential, is a premise strongly supported across different sectors. In insurance and reinsurance arbitrations, where the parties are frequently motivated to arbitrate in order to avoid setting precedents with court decisions and prejudicing dispute resolution processes in relation to linked contracts, the confidentiality of arbitrations is one of its most important features. It was felt that the law should not change to codify this obligation of confidentiality, as it cannot be an absolute obligation, but needed be subject to exceptions and it was

⁴¹ (2010) 10 UKSC 46.

⁴² Arbitration Bill [HL], 'Explanatory Notes' (2025), <https://bills.parliament.uk/publications/55946/documents/4959>. Accessed on 28 January 2025.

⁴³ [2024] EWHC 2102.

⁴⁴ For example, in an insurance dispute where an insurer denies coverage the provisions for summary awards in the Arbitration Act 2025 could lead to a quick dismissal of the claim or the new rules on governing law could resolve disputes about which jurisdiction's insurance laws apply to an international claim.

acknowledged that the difficulty laid in articulating the various exceptions.⁴⁵ In the consultation, it was expressed that arbitration is the favoured dispute resolution mechanism in the London and international markets and that, historically, arbitration entailed confidentiality, subject to the common law has developed exceptions that have developed over time so that the result of an arbitration can be known to those who need become aware of the award, i.e., those mostly connected with it such as retrocessionaires, reinsurers, etc. as was the case in *Associated Electric & Gas Insurance Services Ltd v. European Reinsurance Company of Zurich (Bermuda)*⁴⁶ or in *Department of Economics Policy Development of the City of Moscow –v- Bankers Trust Company*⁴⁷ and in *Emmott v Michael Wilson & Partners Ltd.*⁴⁸ Hence, it emerged that the common law test of confidentiality does not need reform and should not be altered on a statutory basis, either by way of dilution or fortification.⁴⁹ With regards to disclosure, it was expressed in the consultation that a universal and codified obligation to make disclosures on a continuing basis would not be fit for insurance. As in the case of treaty reinsurance arbitration in London, there is an evident probability that the same issue will be considered a number of times in different and unrelated reinsurance treaties, by the specialists in the field who often are only a limited pool of specialist arbitrators, a different model for arbitration disclosure needs be followed.⁵⁰

3. The Position in Singapore

The Singapore's Ministry of Law launched on 21 March 2025 a public consultation on Singapore's International Arbitration Act. In the statement issued it was mentioned that 2025 marked the 30th anniversary of Singapore's International Arbitration Act, pursuant to which Singapore adopted the UNCITRAL Model Law so as to provide a legal framework for international arbitration, and it had emerged by the Singapore International Dispute Resolution Academy's study⁵¹ on the international arbitral regime in Singapore that there was a need to ensure that Singapore remained attractive as arbitration forum. The reform initiative was also promulgated by the launch of the Arbitration Act 2025 in the UK.⁵² The consultation seeks feedback on eight issues, on Singapore's international arbitration regime and the International Arbitration Act 1994; 1) in case of conferment of powers, whether cost orders were adequate for arbitral proceedings, following the

⁴⁵ Law Commission, 'Review of the Arbitration Act 1996', (2023) Consultation Paper 257, September 2023, <https://www.lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>. Accessed 25 April 2025.

⁴⁶ [2003] UKPC 11.

⁴⁷ [2003] 6EWHC 1377 (Comm).

⁴⁸ [2008] EWCA Civ 184.

⁴⁹ Law Commission, 'Review of the Arbitration Act 1996', (2023) Consultation Paper 257, September 2022, <https://www.lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>. Accessed 25 April 2025.

⁵⁰ Law Commission, 'Review of the Arbitration Act 1996', (2023) Consultation Paper 257, September 2022, <https://www.lawcom.gov.uk/project/review-of-the-arbitration-act-1996/>. Accessed 25 April 2025.

⁵¹ SIDRA, (2024) 'Review of the Singapore International Arbitration Act', [https://sidra.smu.edu.sg/sites/sidra.smu.edu.sg/files/202503/Review%20of%20the%20Singapore%20International%20Arbitration%20Act%20\(2024\)_final.pdf](https://sidra.smu.edu.sg/sites/sidra.smu.edu.sg/files/202503/Review%20of%20the%20Singapore%20International%20Arbitration%20Act%20(2024)_final.pdf), Accessed 04 July 2025

⁵² Ministry of Law, 'Public Consultation on the International Arbitration Act 1994 of Singapore', (2025) Singapore, 21 March 2025, <https://www.mlaw.gov.sg/public-consultation-on-the-international-arbitration-act-1994-of-singapore/>. Accessed 25 April 2025.

successful setting aside of an award on the court, 2) whether there should be separate costs' principles for unsuccessful setting aside of applications, 3) whether there should be a leave requirement for appeals in the Court of Appeal from High Court decision in a setting aside application, 4) whether there should be a reduction of time limit in the filing of a setting aside application, 5) whether a right of appeal on questions of law is desirable, 6) whether there should be a principle for the governing law to be that of the arbitration agreement, 7) whether in the review of the tribunal's jurisdiction, there should be an appeal or a rehearing and 8) whether the summary disposal powers of arbitral tribunals should be included in the International Arbitration Act.⁵³ Consultation responses had to be submitted online by 2 May 2025 and no further timeline has been announced. Singapore's Ministry of Law is seeking feedback on several issues that were also examined during the recent reform of the English Arbitration Act 1996. Notably, the Singapore International Dispute Resolution Academy (SIDRA) reached different conclusions on some of these matters, recommending that challenges to a tribunal's jurisdiction should remain full rehearings, and that when parties haven't expressly chosen a governing law for the arbitration agreement, it should follow the law of the main contract rather than the law of the seat.⁵⁴

Whether Singapore will follow the UK's recent reforms to its arbitration law, particularly those introduced under the English Arbitration Act 2025, is an open question. There are good arguments both for and against the argument that Singapore will align with the UK law reforms. Of the reasons why Singapore might follow the UK's arbitration law reform are the fact that Singapore wants to maintain global competitiveness and be on the forefront of arbitral developments. Given that both Singapore and London are leading arbitration hubs, adopting similar reforms could help Singapore remain aligned with international best practices and prevent perceptions of being outdated or less efficient. One other reason is the need for Singapore to be able to offer an enhanced procedural efficiency regime. Reforms like the summary disposal reform which is based on the "no real prospect of success", could pave the way for faster resolution of weak claims, and also reduce cost and time, all of which are key priorities for the parties involved. In line with its' goal to always certainty and modernisation and given the fact that the UK's reforms modernize jurisdictional challenge procedures and clarify legal ambiguities, Singapore may also view similar changes as helpful for updating its own legal framework, improving the confidence of parties resorting to arbitration in Singapore. Not least as legal convergence encourages predictability and with many international parties operating across multiple jurisdictions, the harmonization of arbitration procedures (e.g., summary powers, review of tribunal jurisdiction) can reduce friction and increase predictability in outcomes. Of the reasons against the argument that Singapore might follow the UK's arbitration law reform are the fact that Singapore

⁵³ Ministry of Law, 'Public Consultation on the International Arbitration Act 1994 of Singapore', (2025) Singapore, 21 March 2025, <https://www.mlaw.gov.sg/public-consultation-on-the-international-arbitration-act-1994-of-singapore/> Accessed 25 April 2025.

⁵⁴ Practical Law Arbitration, 'Singapore launches consultation on international arbitration regime and International Arbitration Act 1994', <https://uk.practicallaw.thomsonreuters.com/w-046-3195>, Accessed 04 July 2025.

may opt to preserve its' local distinctiveness and autonomy, choosing to maintain its own approach to reinforce its identity as an independent arbitration seat with rules tailored to its regional context and legal culture. In addition, a strong argument lies with the fact that Singapore caters for different market needs and policy priorities. Those opting for arbitration in Singapore, especially parties in Asia, might place different value on issues like rehearings versus appeals, or the choice of governing law. Such an argument can be reinforced by the fact that SIDRA has recommended against some UK-style reforms (e.g., rehearings of jurisdictional challenges) should stay, and the law of the contract, not the seat, should govern the arbitration agreement in the absence of express choice, following the pattern established by the UK Supreme Court in *Enka Insaat ve Sanayi AS v OOO "Insurance Company Chubb"*.⁵⁵ In addition, Singapore may adopt a conservative approach towards a wholesale reform, as much as it may promote the modernisation of arbitration law, and perhaps a more careful, consultative approach to legal reform will be opted to be followed versus a rapid or wholesale adoption of UK changes, especially if the impact of those changes in England is still being assessed. Not least, Singapore might not opt to risk the alienation of local players in arbitration by adopting unfamiliar or court-heavy mechanisms, such as e.g., less deference to tribunal jurisdiction, as this could deter parties from jurisdictions that prefer arbitration with minimal court interference.

This latest consultation demonstrates Singapore's continued support of international arbitration and its desire to evolve and modernise its legal framework in line with best international practices.⁵⁶ Overall Singapore may choose a selective adoption strategy, on the one hand embracing reforms that improve efficiency and user confidence, such as e.g., summary disposal, while rejecting or modifying those that may not suit its unique arbitration landscape, such as e.g., replacing rehearings with appeals. Ultimately, its goal is likely to remain globally relevant while preserving the strengths that make Singapore distinct as a globally attractive arbitral seat.

4. Critique

The Arbitration Act 2025 represents a significant evolution, but not revolution, in English arbitration law. This reform responds to a landscape where the Arbitration Act 1996 had potentially become increasingly outdated, and where challenges surrounding areas such as e.g., arbitration agreements, jurisdictional issues, and arbitral impartiality required resolution. The reforms introduced by the Act are generally seen as necessary to preserve England's position as a leading global arbitration hub, offering at the same time much practicality.

⁵⁵ [2020] 2 Lloyd's Rep 449.

⁵⁶ I. Sharp, B. Anandakumar, (2025) 'Singapore's latest development in the reform and evolution of international arbitration, Hill Dickinson Insights, 8.5.2025, <https://www.hilldickinson.com/insights/articles/singapores-latest-development-reform-and-evolution-international-arbitration>, Accessed 04 July 2025

One of the most notable changes in the Arbitration Act 2025 is the clarification regarding the governing law of arbitration agreements. The reform makes the law of the arbitration seat the default governing law, unless explicitly stated otherwise. This change brings much-needed consistency, but it also raises the question of whether the new default adequately considers the specific needs of certain parties, particularly in multi-jurisdictional contract, hence it may create new complexities in cases where the law of the seat and the law of the contract diverge more significantly than before. The limitation of jurisdictional challenges also represents a step toward enhancing the finality of arbitral awards, however a drawback might be the danger entailed in diminishing the flexibility of the system, particularly in cases where new evidence might significantly impact the fairness of the proceedings. On the topic of arbitrator impartiality, the Arbitration Act 2025 codifies the duty of arbitrators to disclose potential conflicts of interest, a critical safeguard which is highlighted as beneficial, particularly after high-profile cases such as *Halliburton Co v Chubb Bermuda Insurance Ltd*.⁵⁷ The introduction of emergency arbitrators, and the extension of enforcement powers to them, further strengthens the Act by ensuring that urgent interim measures can be enforced with the same authority as final awards. This aligns with the growing trend toward recognizing the importance of emergency arbitration. Another significant reform is the introduction of summary dismissal powers, which allow arbitrators to dismiss claims with no real prospect of success; however, while it may expedite arbitration, there is a risk that it could be used to dismiss claims prematurely, potentially undermining the parties' ability to fully present their case.

From an insurance law perspective, the Arbitration Act 2025 is seen as reinforcing arbitration's role as the preferred method of dispute resolution, particularly in complex and high-value disputes. The clear rules on jurisdiction and governing law, coupled with the emphasis on finality, support a more predictable and reliable arbitration process. However, there are elements of the reform that could disadvantage policyholders or insurers, especially when it comes to the finality of arbitral awards and the ability to challenge awards on jurisdictional grounds. The lack of significant reform in the area of confidentiality, while maintaining the status quo, also reflects a reluctance to address the evolving needs of the insurance market, where transparency, especially with reinsurers, can sometimes be essential. The consultations revealed that the common law approach to confidentiality remains more flexible and appropriate for the insurance sector, yet the absence of a statutory codification leaves some ambiguity about the scope of confidentiality in arbitration.

Finally, the fact that Singapore is now considering similar reforms to its International Arbitration Act signals a growing recognition of the importance of maintaining an attractive arbitration environment.

The reform solidifies England's position as a leading arbitration hub, but the balance between efficiency and fairness will be crucial in ensuring that the system remains accessible and just for all parties involved.

⁵⁷ [2021] 1 Lloyd's Rep 1.

5. Conclusion

The Arbitration Act 2025 reforms, following a review initiated by the English Law Commission in 2021, aim to address challenges in the nearly 30-year-old Arbitration Act 1996 and ensure that the law remains effective in supporting England's role as a global arbitration hub. The reform process involved consultations with diverse stakeholders, revealing critical issues such as the governing law of arbitration agreements and jurisdictional challenges. The resulting Arbitration Act 2025 introduces key changes, such as the establishment of the law of the seat as the default governing law for arbitration agreements in the absence of an explicit agreement, resolving uncertainties from previous practices where disputes under non-English laws had arbitration seats in London. The Act also limits jurisdictional challenges, ensuring that only objections or evidence previously presented to the tribunal can be raised, enhancing the finality of arbitral awards. Additionally, the codification of the arbitrator's duty of disclosure strengthens the impartiality and integrity of arbitration, while empowering emergency arbitrators with the same enforcement powers as regular arbitrators and introducing summary dismissal powers to expedite proceedings. The immunity of arbitrators is reinforced, protecting them from liability unless their actions are unreasonable or in bad faith. For the insurance sector, these reforms improve the effectiveness of arbitration, making it a more predictable and reliable mechanism for resolving disputes. The clearer rules on arbitration agreements, jurisdictional challenges, and disclosure provide significant benefits for insurance law, particularly in complex cases where expediency and certainty are crucial.

In light of these developments, Singapore, influenced by the UK's reforms, has launched its own consultation process on its International Arbitration Act 1994. The Arbitration Act 2025 offers valuable lessons for Singapore and other jurisdictions considering similar reforms, strengthening arbitration's role in global dispute resolution, particularly in specialized sectors like insurance, where expedient and final resolutions are essential.

Overall, the reforms to the Arbitration Act 1996 ensured that the new Arbitration Act 2025 offers clarity and certainty to the parties resorting to arbitration as an alternative dispute resolution mechanism. Most notably, the reform on the law applicable to arbitration agreements resolves the pathology which had been instilled by the judgment in *Enka Insaat ve Sanayi AS v OOO "Insurance Company Chubb"*⁵⁸. In addition, one cannot help but also distinguish the new process of challenging jurisdiction and the statutory recognition of arbitrators' power to order the summary dismissal of claims, which reinforce the role of arbitration and that of London as an eminent global arbitral hub.⁵⁹ In Singapore, the reform initiated by the launch of the

⁵⁸ [2020] 2 Lloyd's Rep 449.

⁵⁹ WilmerHale, Evolution Not Revolution: Key Practical Implications of the New Arbitration Act, Client Alert, 4.3.2025, <https://www.wilmerhale.com/en/insights/client-alerts/20250304-evolution-not-revolution-key-practical-implications-of-the-new-arbitration-act-2025> accessed 26 May 2025.

consultation in March 2025 seeks feedback on eight issues, on Singapore's international arbitration regime and the International Arbitration Act 1994.