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CHALLENGES OF INTERNATIONAL COMMERCIAL ARBITRATION IN NIGERIA

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Challenges of International Commercial Arbitration in Nigeria

Abstract

In Nigeria's fast-paced economic environment, international commercial arbitration is an essential instrument for resolving cross-border disputes. Its effectiveness depends on overcoming a variety of challenges. The objectives of this research are to explore the state of international commercial arbitration in Nigeria, highlighting the issues that arise, examining the efficiency and accessibility of international commercial arbitration in Nigeria, as well as proposing recommendations for improving it. The methodology adopted is the doctrinal approach. Primary and secondary sources of law were utilized in understanding the framework of international commercial arbitration. Primary sources were instrumental in identifying the legal framework concerning international commercial arbitration processes. Secondary sources complemented this by providing insightful analysis and interpretations of the primary materials. A comparative analysis with other jurisdictions clarifies Nigeria's position in the international arbitration arena. The research also proffered some recommendations for improving and reforming the system of international commercial arbitration. The study concludes that there is a need to address the intricate challenges facing international commercial arbitration in Nigeria.

Keywords: Arbitral Challenges, Dispute, Dispute Resolution, International Commercial Arbitration

Introduction

International commercial arbitration is a crucial dispute resolution process in the increasingly globalized world of trade. It is essential for enabling cross-border transactions and building investor trust in Nigeria, a nation with a booming economy and a vibrant business environment. However, this mechanism's effectiveness depends on resolving a number of challenges that are specific to the Nigeria context.¹

Cross-border commercial transactions have increased as a result of Nigeria's economic expansion and deeper inclusion into the world economy.² Consequently, there has been a growing need for efficient dispute resolution mechanisms like international commercial

¹ Chukwudi Nwakoby and Charles Aduaka, 'Obstacles facing international commercial arbitration' (2015) *Journal of Law and Conflict* Vol. 7, 16.

² Kariuki Muigua, 'Reawakening Arbitral Institutions for Development of Arbitration in Africa' (2015) *A paper presented at the Arbitration Institutions in Africa Conference.*

arbitration.³ The use of arbitration as a dispute resolution mechanism, rather than conventional litigation has steadily increased over the last few decades in Nigeria.⁴ There are several advantages attributed to this, such as neutrality, confidentiality and flexibility, but there are obstacles in the way of its application in Nigeria. These challenges range from infrastructure constraints and cultural disparities to the issue of legal framework and the enforcement of arbitral awards.

This paper examined various challenges surrounding international commercial arbitration, highlighting the ramifications for businesses, legal practitioners and the legal community at large. It offers insights to useful strategies to mitigate and navigate the challenges.

Although Nigeria's international commercial arbitration has shown potential, there are a number of challenges that need to be carefully considered and settled. These challenges include intricate legal and regulatory matters, ineffective institutional and administrative procedures, amongst others that affect the international commercial arbitration process. Comprehending the complex network of questions pertaining to international commercial arbitration, it is essential as these challenges have the potential to undermine the nation's economic expansion, business advancement and attractiveness. In the same light, there are instances where individuals, businesses and companies would still rather take their disputes to other countries around the world for resolution. The truth however is, these disputes may be settled and arbitrated in Nigeria with the seat of arbitration here in the country. Nigeria's arbitration procedures and enforcements need to be improved as the country still longs for increased international investment and growth from other countries.

The paper employs the doctrinal approach to analyze the legal framework of international commercial arbitration within the Nigeria context. Primary sources include statutes, case precedents and administrative regulations. Secondary sources encompass a variety of publications such as books, journals, articles and online resources.

The Concept of International Commercial Arbitration

³ Chisanya Attamah, 'The Challenge of Arbitral Awards in Nigeria-Its Procedure and Impact on the Effectiveness of Arbitration as a Dispute Resolution Mechanism' (2019) *Journal of Commercial Law* Vol 5, 1.

⁴ Faith Saiki, 'International Commercial Arbitration: An Effective Tool for Resolving Commercial Disputes in Nigeria' <https://www.mondaq.com/Nigeria/arbitration-dispute-resolution/888074/international-commercial-arbitration-an-effective-tool-for-resolving-commercial-disputes-in-nigeria> accessed 8 April, 2024.

The two main words in this are ‘*commercial*’ and ‘*international*’. The word international can be said to mean one that is outside a particular region or state. The term ‘international’ is used by Redfern and Hunter to distinguish between a national or domestic arbitration and one that crosses national borders in any way.⁵ International commercial arbitration can then be said to include alternative means of settling disputes or resolving disputes between private parties or different states resulting from cross-border commercial transactions that helps the parties to avoid going to national courts to litigate and then leads to a final and binding result.

International Commercial Arbitration is a means of resolving disputes arising from international contracts. It is utilized as a replacement for litigation and is mostly regulated by the terms of the contracting parties' earlier agreements rather than national legislation or procedural norms.⁶ There are various international contracts that include a condition requiring that any emerging conflicts be resolved through international commercial arbitration.⁷ This is to show that in case a dispute has arisen from an international contract between parties of different countries, what will suffice would be international commercial arbitration as opposed to domestic arbitration that takes place within one jurisdiction. In this case, parties of different jurisdictions for instance, Nigeria and France may go into a contract and have a dispute resolution clause that in case where dispute arise, it would be settled through arbitration.

Any international commercial arbitration can be likened to a forensic minefield. During an international commercial arbitration the authors list out five possible sets of laws that may be used. They include; the law binding arbitration agreement and its performance, the law governing the parties' capacity to enter into the arbitration agreement, the law that regulates the existence and proceedings of the arbitral tribunal- the *lex arbitri*, the proper law of the contract and the law governing recognition and enforcement of the arbitral award.⁸ In contrast to domestic commercial arbitration, which is controlled by national or local laws, International commercial arbitration is governed by a number of rules, including comparative law, treaties, and international trade.

⁵ Alan Redfern, Martin Hunter and Nigel Blackaby, *Law and Practice of International Commercial Arbitration*, (Oxford University Press 2018) 14.

⁶ Susan Gaultier ‘International Commercial Arbitration’ (2014) <https://www.nyulawglobal.org/globalex/International-commercial-Arbitration.html> accessed 18 May 2021.

⁷ Ibid.

⁸ Alan Redfern, Martin Hunter and Nigel Blackaby, *Law and Practice of International Commercial Arbitration*, Sweet and Maxwell, p21.

Theories of International Commercial Arbitration

Four theories are introduced and they include the jurisdictional theory, contractual theory, autonomous theory and hybrid theory.

Jurisdictional Theory

According to proponents of the jurisdictional theory, all arbitration proceedings must be governed by the rules of law selected by the parties, if any, and the rules of law in effect in the arbitration venue.⁹ They also assume that arbitrators are similar to judges in national courts because arbitrators' powers are derived from the states by the application of legal principles.¹⁰ Arbiters, like judges, make decisions based on proof. The importance of the arbitration seat is emphasized by proponents of the jurisdictional theory. The concept of sovereignty and the authority of the state are key to the jurisdictional theory of arbitration. The concept holds that arbitrators are extensions of national court jurisdiction, with the parties' assent granting them jurisdiction. Stated differently, arbitrators are considered governmental delegates tasked with resolving conflicts within the confines of national laws and legal frameworks.

Arbitration agreements, according to proponents of the jurisdictional view, are simply contracts between parties to submit their problems to arbitration, with national courts acting as supervisors and enforcers. They stress the importance of national courts in maintaining the integrity of arbitration agreements, making sure that formalities are followed, and enforcing arbitral rulings.¹¹ The parties' agreement and the presence of a valid arbitration agreement are criteria for the arbitrators' authority. The substantive laws and procedural regulations of the jurisdiction in which the arbitration is held bind the arbitrators, and national courts have the authority to review and enforce their rulings.¹² The jurisdictional theory is criticized for placing undue emphasis on the role of national courts in arbitration proceedings, which some believe could compromise the arbitration process's independence and adaptability. They

⁹ Ibid.

¹⁰ Elombi George, 'Arbitration of International commercial and investment disputes: are the misgivings of developing states justified?' *Thesis submitted to the University of London for the award of the degree of Doctor of Philosophy in Law*

¹¹ Oxford Academic, The Theories and Theoreticians of International Arbitration, <https://academic.oup.com/book/11382/chapter-abstract/160038484?redirectedFrom=fulltext>.

¹² Ibid.

contend that arbitration ought to be seen as a separate and autonomous conflict resolution process, unaffected or uncontrolled by national legal frameworks.¹³

Contractual Theory

Kellor, one of the proponents of this theory opines that, arbitration is one which is voluntary in nature also the arbitration clause used is one which is voluntary arrangement and as such no statute requires the parties to enter into such a contract nor does it grant one party the authority to compel the other to do so.¹⁴ According to the proponents of the contractual theory, any arbitration begins with a contract. The arbitration agreement is an arrangement under which the parties agree to refer their current or potential disputes to arbitrators rather than the courts.¹⁵ It establishes the arbitrator's authority to resolve disputes between them. They claim that, because of the contractual existence of arbitration, the delegation of jurisdictional authority to arbitrators is done by private parties. Those who support this theory opines that the principle of *pacta sunt servanda* a Latin maxim for 'agreements must be kept' should bind the parties to carry out their agreement without the intervention or control of the state.¹⁶

Arbitration agreements are seen by the contractual theory of arbitration as contracts between parties to submit their disputes to arbitration on the terms and conditions that have been agreed upon by the parties. This approach holds that arbitrators have no authority other than what the parties have agreed upon, and they must enforce the provisions of the agreement, including any particular guidelines or processes that have been agreed upon by the parties.¹⁷ Contractual theory proponents place a strong emphasis on the parties' ability to customize the arbitration procedure to their own requirements and preferences, which fosters effectiveness, adaptability, and party control. They contend that by giving parties the freedom to select the arbitrators, procedural guidelines, and applicable law, arbitration improves predictability and lowers the possibility of forum shopping or protracted proceedings.¹⁸ According to the contractual theory, arbitrators are tasked with settling disputes in line with

¹³ Ibid.

¹⁴ Frances Kellor, *Arbitration in action: A Code for Civil, Commercial and Industrial Arbitrations* (1941) Harper & Brothers Publishers.

¹⁵ Ibid.

¹⁶ Kun Fan, 'Arbitrator's Contract' (2017) Cambridge Compendium of International Commercial and Investment Arbitration. (Cambridge University Press) p6.

¹⁷ Jaclyn Reilly, International Commercial Arbitration and the Arbitrator's Contract, *Arbitration Law Review*, Article 38, Volume

3, <https://elibrary.law.psu.edu/cgi/viewcontent.cgi?article=1190&context=arbitrationlawreview>

¹⁸ Ibid.

the provisions of the arbitration agreement and are viewed as the parties' agents. They have the power to interpret and apply the terms of the contract in making decisions, and they are bound by the substantive law and procedural procedures selected by the parties.¹⁹ Critics of the contractual theory caution against the possibility of unfairness and unequal bargaining power in arbitration agreements, especially where one side may be more resourceful or powerful than the other. They contend that in order to guarantee that arbitration agreements are freely negotiated and do not unjustly disadvantage one party at the expense of the other, they should be closely examined.²⁰

Autonomous Theory

Rubellin-Devichi first proposed the autonomous theory in 1965 arguing that because the merit of international commercial arbitration is in its flexibility and the fact that it is less time consuming, the real feature of arbitration had to be decided on the intent by placing arbitration on a 'supra national' level and recognizing the autonomous nature of arbitration. The contract between the disputing parties and the arbitrators according to this theory should be classified as a *sui generis* contract which is not dependent of any legal system of any nation.²¹ She did not dispute the dual existence of arbitration, but she did object to the attempts made to separate the jurisdictional and contractual aspects of the process.

According to the autonomous conception of arbitration, arbitration is a stand-alone, independent conflict settlement process that is not subject to the authority of national courts. This idea states that arbitrators are not constrained by the substantive laws or procedural procedures of any one legal system; instead, their authority originates directly from the arbitration agreement.²² Advocates of the autonomous theory emphasize the significance of party autonomy in arbitration, stressing the liberty of parties to formulate their own conflict settlement procedure and select their own arbitrators. They maintain that arbitration provides an independent and neutral forum free from the restrictions imposed by national court formalities and procedures for resolving disputes.

According to the autonomous approach, arbitrators are seen as impartial judges with the authority to settle disputes by applying common law rules, commercial customs, and

¹⁹ Ibid.

²⁰ Ibid.

²¹ Hong-lin Yu, 'A Theoretical Overview of the Foundations of International Commercial Arbitration' (2008) *Contemporary Asian Arbitration Journal* 278.

²² Yifang Gao, A Brief Analysis of Party Autonomy in International Commercial Arbitration, 2021, <https://www.atlantis-press.com/article/125961015.pdf>

international standards.²³ They can create fair solutions that are suited to the parties' particular requirements and circumstances since they are not constrained by rigid legal precedents or regulations. The autonomous theory's critics point to the possibility of arbitrariness and the absence of responsibility in arbitration hearings as issues. They contend that in the absence of precise legal guidelines and procedural protections, arbitrators can overreach their jurisdiction or neglect to give sufficient justification for their rulings, so weakening the credibility and enforcement of arbitral awards.²⁴

Hybrid Theory

Suaser-Hall developed the hybrid theory and maintained that International Commercial Arbitration is one which has dual feature in the well-known study to the 'Institut de Droit International on private international law in arbitration'. To ensure minimum conformity with due process, he argued that arbitration must be subject to a national legislation that specifies the legitimacy of the dispute's application to arbitration and also how the resulting award will be. The group of jurists which developed the hybrid theory were of the belief that perfect operation of international commercial arbitration depends on the other two theories stated above. In reality, the hybrid theory is one which is mixed between the contract theory and procedural.²⁵ It starts as a private arrangement between the parties. It then proceeds in the form of private proceedings in which the parties' wishes are paramount. Nonetheless, it concludes with an award that has legal force and effect and that if such requirements are met, the national courts of most countries around the world will be willing to recognize and execute.²⁶

The private process has a public impact, implemented by the assistance of each state's public authorities as reflected in its national law. For the disputants, this ensures that while the procedure is initially theirs and under their control (due to a contract), the result will have far reaching implications for their interests both inside and across national borders when they attempt to execute, resist or implement the award if it is not willingly complied with.²⁷ This is because in most cases, the arbitrator's award has the same legal impact as a court decision

²³ Ibid.

²⁴ Ibid.

²⁵ Ibid at 274.

²⁶ Alan Redfern, Martin Hunter and Nigel Blackaby, *Law and Practice of International Commercial Arbitration*, (2nd edn. 1991) Sweet and Maxwell.

²⁷ Elombi George, 'Arbitration of International commercial and investment disputes: are the misgivings of developing states justified?' *Thesis submitted to the University of London for the award of the degree of Doctor of Philosophy in Law*.

under international and domestic law. For the rest of the public, the transformation of the institution of arbitration from a private agreement to a public result usurping in the mechanism function is of great concern. It provides a satisfactory and rational interpretation of the current system of international commercial arbitration. The other two theories have been perceived to have certain setbacks and limitations which are considered not to be viable options. The parties' agreement in effect, establishes the arbitrator's status as private dispute judges.²⁸

At the same time, they agree that in a national and international legal context, a legislative structure is needed to regulate the legality and effectiveness of arbitration.²⁹

However, the theory that was employed for this study is the *Hybrid Theory*. At the opposite ends of the arbitration continuum, both the jurisdictional and contractual theories have significant support. The Hybrid Theory offers a balanced approach by combining elements of both the Contractual and Autonomous Theories. This framework provides parties with flexibility and autonomy through contractual agreements, allowing them to shape the international commercial arbitration process according to their preferences. Simultaneously, the theory incorporates a legal framework to enhance the recognition and enforcement of arbitral awards globally. Its adaptability accommodates diverse dispute and parties. Overall, the hybrid theory aims to strike a harmonious equilibrium offering parties the advantages of the other theories and also contributes to its potential for widespread acceptance across different jurisdictions

Challenges facing International Commercial Arbitration in Nigeria

Legal and Regulatory Challenges

Nigeria, a country with great potential for international commercial arbitration, has significant legal and administrative constraints. The intricate legal and regulatory frameworks that underpin these difficulties present formidable obstacles to the seamless operation of international commercial arbitration procedures. It is critical to address these issues as more companies and investors choose arbitration as their preferred means of settling cross-border business disputes. Some of the legal and regulatory challenges will be discussed.

Legislative Perspective

²⁸ Hong-lin Yu, 'A Theoretical Overview of the Foundations of International Commercial Arbitration' (2008) Contemporary Asian Arbitration Journal 274.

²⁹ *Ibid*

For a considerable amount of time, the Nigeria Arbitration and Conciliation Act have been criticized for being inconsistent with global best practices and creating legal difficulties. Ambiguities make it difficult to comprehend and implement the law, which makes things unclear for both arbitrators and corporations. The fundamental basis of arbitration as a dependable substitute for litigation may be undermined by ambiguity, which can make it more difficult to resolve conflicts effectively.³⁰

Judicial Intervention

One important factor that will determine the development and growth of international commercial arbitration is the level of judicial intervention and the amount of judicial support that is given. One major issue today is the courts' meddling in international commercial arbitration cases. Interference has the potential to undermine the basic premise of party autonomy by impeding arbitration's autonomy.³¹ The pervasive problem of judicial system delays in Nigeria exacerbates the difficulties encountered in international business arbitration. Protracted court cases lead to parties giving up arbitration in favor of litigation, which negates the advantage of using arbitration for convenience.³²

Administrative and Institutional Challenges

Administrative and institutional challenges impair the efficacy and efficiency of the arbitration process in Nigeria's complex system of international commercial arbitration. To successfully navigate these problems, one must possess a thorough comprehension of the nuances present in the institutional and administrative structures.

Lack of Specialized Institutions

A difficulty is the scarcity of institutions that specialize in arbitration. One of Nigeria's biggest challenges is the lack of specialized arbitration institutions, which adds to the backlog and administrative difficulties. Parties have few options due to the lack of institutions qualified to resolve disputes involving international commerce, which reduces the variety and effectiveness of the arbitration market.³³ This difficulty calls for the creation and support of organizations that possess the knowledge and resources needed to handle the intricacies

³⁰Nduka Ikeyi, Ofornze Amucheazi 'Applicability of Nigeria's Arbitration and Conciliation Act: Which Field Does the Act Cover?' (2018) Journal of African Law Vol 57 139.

³¹ Adelodun Daibu, M. Akanbi, 'Customary Arbitration in Nigeria: a review of extant judicial parameters and the need for paradigm shift' (2015) Journal of Sustainable Development and Policy Vol6.

³² Gbenga Bamodu 'Judicial Support for Arbitration in Nigeria: On Interpretation of Aspects of Nigeria's Arbitration and Conciliation Act (2018) Journal of African Law 10.

³³ Ige Yemisi, 'Alternative Dispute Resolution and Collective Conciliation in Nigeria: A Review of Contemporary Literature' (2017) International Journal of Business and Management Vol 12.

involved in cross-border conflicts. To make Nigeria a more desirable location for international commercial arbitration, there has to be a concentrated effort made to increase the number of specialized arbitration institutions.

Administrative Support

Another challenge facing the international commercial arbitration scene is administrative support and case management. Communication between parties and arbitrators, scheduling, and document handling are all impaired by inconsistent case management and administrative support services.³⁴ The arbitrator's overall impartiality and efficiency are enhanced by maintaining open lines of communication and providing an accommodating administrative support system.

Furthermore, Nigeria businesses, especially smaller ones, may find the administrative costs linked to international commercial arbitration to be unreasonably exorbitant, deterring them from selecting arbitration.³⁵ Clear disclosure of costs and fees guarantees that parties are able to make knowledgeable judgments, which promotes inclusiveness and builds confidence in the arbitration process. The international commercial arbitration procedure is hindered by limited access to contemporary arbitration facilities, legal infrastructures like interpreters, translators and technological difficulties in facilitating more virtual or hybrid arbitration hearings.³⁶ Adopting more cutting-edge technology and making large expenditures in infrastructure upgrades are necessary to meet this problem. Nigeria may remain at the forefront of enabling effective and technologically enhanced arbitration processes by establishing state-of-the-art facilities and offering thorough training on technology adoption.

Impacts of the Challenges

The dynamism of international commercial arbitration in Nigeria stands at crossroads where challenges interplay with the aspirations of a rapidly increasing economy. This part of the work looks into the impact of the challenges put on international commercial arbitration in Nigeria. From economic repercussions to shifts in investor sentiment, each challenge resonates, leaving an indelible mark on the trajectory of international commercial arbitration in the country.

³⁴ Nonso Enebeli 'Artificial Intelligence: Challenges and Opportunities for Arbitration in Nigeria' (2022) Journal of Public Law Vol 9 (2) 11.

³⁵ Adelodun Daibu, M. Akanbi, 'Customary Arbitration in Nigeria: a review of extant judicial parameters and the need for paradigm shift' (2015) Journal of Sustainable Development and Policy Vol6.

³⁶ Emmanuel Onyedi, 'Judicial Intervention in Arbitration: Unresolved Jurisdictional Issues Concerning Arbitrator Appointments in Nigeria' (2021) Journal of African Law Vol 65 16.

How challenges affect the efficiency and effectiveness of international commercial arbitration

The challenges facing international commercial arbitration significantly affects its efficiency and effectiveness in several ways. Legal and regulatory challenges, such as judicial interference and delays in court proceedings, can lead to protracted arbitration processes. These delays increase the time and cost involved in resolving disputes, making arbitration less efficient compared to its intended purpose of providing a faster resolution method.³⁷ Also, challenges relating to enforceability and inconsistent court decisions on arbitral awards can undermine the finality and effectiveness of arbitration. Parties may be deterred from using arbitration if they doubt their ability to enforce an award in practice. Gaps in arbitration legislation and a lack of specialized arbitration courts can result in complex and sometimes contradictory procedural and jurisdictional issues. This complexity can lead to confusion and disputes, hampering the efficiency of the arbitration process.³⁸ Legal and regulatory challenges, especially those related to the enforceability of awards and the autonomy of arbitration can diminish the credibility of international commercial arbitration in the eyes of both domestic and foreign parties. This reduced credibility may result in a loss of trust in the arbitration process.³⁹

Administrative and institutional challenges, like high administrative fees and legal costs, can contribute to the overall expense of international commercial arbitration. Parties may find it more cost-effective to litigate in court, especially if the costs associated with arbitration outweigh the benefits of a quicker resolution.⁴⁰ Also, when parties and arbitrators lack expertise in specific industries or sectors, the arbitration process may suffer from inadequate understanding of the underlying issues, potentially leading to less effective decisions

The Arbitration and Mediation Act 2023

The Arbitration and Mediation Act 2023 was enacted into law on May 26, 2023, making history by repealing the Arbitration and Conciliation Act. The obsolete 1988 Arbitration and

³⁷ Jennifer Kirby, 'Efficiency in International Arbitration : Whose Duty is it?' (2015) *Journal of International Arbitration* Vol 32.

³⁸ Adeola Olaleye, 'Cost and Time-Related Challenges in International Commercial Arbitration: A Nigerian Perspective' (2016) *Journal of African Arbitration* Vol 10.

³⁹ Olaide Arayela, 'Enforcement of Arbitral Awards in Nigeria: A Critical Appraisal of the Legal Framework and Recent Developments' (2018) *Journal of International Arbitration*.

⁴⁰ Babatunde Ogundipe, 'Improving Arbitration Infrastructure and Technology in Nigeria: A Comparative Analysis' (2022) *Journal of Law and Dispute Resolution* Vol 6.

Conciliation Act has been replaced by the new Act, which represents a radical change in Nigeria's legal system and the world of arbitration and international commercial arbitration at large. The new Act, which is in line with international norms, includes novel provisions in three sections and three schedules. Clear legislative goals, required judicial referrals to arbitration, and the inclusion of electronic communication in arbitration agreements are noteworthy modifications.

The Act eases a bit of financial constraints in arbitration by reducing the default number of arbitrators from three to one, in line with international standards. The expedited process of emergency arbitration procedures provides temporary remedy in a more efficient manner. Pro-enforcement stance can be found in the provisions on the recognition and enforcement of interim measures. The Act clarifies and safeguards the arbitration process by addressing the statute of limitations for arbitral proceedings.

Part I of the Act addresses arbitration and states that, arbitration agreement between the parties to the contrary, any arbitration agreement established for the purpose of resolving a dispute must be exclusive of all other methods of dispute resolution. Additionally, Section 5 notes that the part of the Act addresses: Commercial arbitration inside Nigeria; interstate commercial arbitration within Nigeria; and international commercial arbitration, subject to any agreement that is in effect between Nigeria and any other nation. Therefore, the Act offers a more comprehensive summary of international commercial arbitration.

Also, the Act offers flexibility and efficiency by introducing concurrent hearings, joinder of parties, and consolidation of arbitral proceedings—a considerable step forward. With the express provision to accept third-party funding, Nigeria now aligns with nations such as Singapore and Hong Kong. The Act creates an Award Review Tribunal, a special body for examining arbitral rulings, and offers arbitrators immunity, which promotes fair decision-making. Adopting the Singapore Convention on Mediation and conforming to the UNCITRAL Model Law, the Act clarifies the nature of mediation and its protocols.

Although the Arbitration and Conciliation Act loopholes were recently addressed with the enactment of the Arbitration and Mediation Act, a more robust legislation is still required to address a number of emerging problems. For instance, in situations when a dispute involves a conflict of laws, the law must address these issues. Without a question, the Act's provisions might make Nigeria a more alluring destination for arbitration both in Africa and beyond. In a similar vein, it is encouraging that the Nigerian legislature actively work on its clear goals of encouraging just and effective dispute resolution. It is also important to recognize that no law

is flawless; the Act may provide difficulties in its interpretation and application, necessitating ongoing review and possible amendments from time to time that may surface during the implementation process to meet the international standards.

Conclusion and Recommendation

A number of important recommendations are made to strengthen Nigeria's standing in international commercial arbitration. First, it is imperative to make concentrated efforts towards campaigns of education and awareness aimed at both corporations and legal professionals. This comprises lectures and workshops amongst others. Furthermore, infrastructure upgrades are critical and require funding for international commercial arbitration facilities in multiple states to guarantee the convenience and accessibility of disputing parties. To improve the enforceability of arbitration awards, judicial support and training are equally important. Specialized training for judges and the creation of dedicated commercial courts are needed. In order to reduce delays and guarantee equitable results, it is essential to reinforce procedures for the enforcement of awards, such as accelerated procedures and adherence to international agreements. In addition, encouraging partnerships with reputable international arbitration organisations would promote information sharing and capacity building and regular evaluations of arbitration rules and procedures will guarantee conformity with international norms. In conclusion, Nigeria is at a pivotal juncture in its efforts to become a leading destination for international commercial arbitration. Through the implementation of the previously described recommendations, Nigeria can effectively address the intricacies and challenges present in its international commercial arbitration framework, ultimately promoting a more favourable business environment. In addition to being a local issue, this effort to improve international commercial arbitration has significant implications for the world's business sector. Nigeria may realize its potential as a center for international commerce, bolstering its standing on the world scene and promoting global economic growth, if it is dedicated to education, infrastructure development, judicial assistance and international collaboration.