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# A Setback And An Opportunity: The Halted Progress Of The English Arbitration Act 1996 Reform

**Minding Your Business** on **May 28, 2024**

Recent developments have impacted the much-anticipated update to the English Arbitration Act 1996. Proposed reforms, developed by the Law Commission and through a consultation process, marked the first significant changes to the Act since its inception. However, Prime Minister Rishi Sunak's unexpected decision to call a general election in July 2024 has halted all current parliamentary business, including the passage of the bill to reform the Act.

The bill – as we focused on in a previous post – aimed to modernize and strengthen the English arbitration framework including by: (1) codifying duties of confidentiality, (2) introducing summary disposal of issues with no real prospect of success, and (3) creating a new rule regarding the governing law of arbitration agreements.

**Impact of the Election Call**

The announcement of an early general election, however, triggered a 'wash-up' period in UK parliamentary practice, where parties can negotiate to pass bills before Parliament dissolves. Bills that are sufficiently uncontentious can sometimes pass in this period. However, a bill also has to have gone through certain parliamentary stages and the Arbitration Bill had not advanced far enough to be included.

**A Silver Lining**

This setback may provide an opportunity for more comprehensive reform. The UK Ministry of Justice identified areas needing further attention, particularly after the landmark UK *Nigeria v Process & Industrial Developments* case, which underscored the need for scrutiny and potential reform due to corruption issues. As we previously reported, that case saw the English High court set aside a multi-billion dollar arbitral award due to findings of corruption. It is possible that future Arbitration Act reform legislation can now address these concerns more thoroughly.

The halt of the bill’s progress is disappointing but presents a chance for deeper reform. As the new Parliament begins after the July election, there is hope for more robust and comprehensive arbitration law updates (or, at the very least, a swift reintroduction of the bill to ‘lock in’ the progress made so far into law).

Stakeholders should stay engaged and we will report as soon as there is any further news.

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